

INSIDE: The deepening divisions over free trade

Maclean's

FEBRUARY 10, 1986

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

A SPACE TRAGEDY

'To touch the face of God'

PRESIDENT RONALD REAGAN, JAN. 28, 1986



Grace Corrigan
watching the fatal
explosion of the
shuttle Challenger,
with her daughter
Christa McAuliffe
on board





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Maclean's

FEBRUARY 13, 1986 VOL. 10 NO. 8

COVER

'To touch the face of God'

When the space ship Challenger exploded in a ball of fire only 36 seconds after its takeoff from Cape Canaveral last week, the accident created not only seven martyrs to the space age—schoolteacher Christa McAuliffe and the Challenger's six other astronauts—but also a new debate about the direction of the U.S. space program itself.

—Page 24



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A wider quest for change

As the Feb. 7 election approaches, Corason Aquino is presenting Philippine President Ferdinand Marcos with the strongest political threat he has ever faced.

—Page 34



Getting tough on the books

Authors are exercising more authority and forcing clients to drop bad investments under growing scrutiny of the responsibilities of the accounting profession.

—Page 49



The free trade negotiators

Even before two tough-minded men begin discussions, protectionism and areas of criticism threaten to stall free trade talks between Canada and the United States.

—Page 10



Janet and the jet-setter

Starlet Janet Jones, newly engaged to tennis pro Vicenzo Gerulaitis, says her flared bra curried a reputation as a 'ladies' issue because he treats women so well.

—Page 54

Mooré's the pity

Selecting Mary Tyler Moore as the subject for your Jan. 13 cover story ("Growing up with Mary") was highly inappropriate for a journal that bills itself as Canada's weekly newsmagazine. The cover should be reserved for Canadian personalities and events of international figures and stories of particular significance. —PATRICIA MILLER, Ontario, Ont.

I am surprised and saddened as I look at your Jan. 13 cover. Instead of giving publicity to an American television star, it would be nice if Canada's weekly newsmagazine gave a hand to some rising Canadian star. —FRANK MILLER, Burnaby, B.C.

I love our Canadian newsmagazine, but I don't pay my yearly subscription to read cover stories featuring American sitcom actresses. —PEGGY MARTIN, Vancouver

A sense of propriety

I was disappointed and shocked by Allan Fotheringham's "The 90's trip to the disapper pit" (Column, Dec. 30). Brian Mulroney may lack a sense of smell, but Fotheringham and your editor lack a sense of taste. —MALELINE OUSTON, Green Valley, Ariz.

Allan Fotheringham's depiction of Brian Mulroney's loss of image should be balanced by appreciation of the political advantages. Having no sense of smell must be highly convenient when releasing a million tons of canned tuna, selling



Mooré: Canadian discontent

the de Havilland Aircraft of Canada Ltd. at a fire-sale price or audaciously slashing federal-provincial transfers. In future we shall better understand some of the PM's outrageous actions, even-smelling Brian lends with his own because he truly is insensitive to what others can readily detect.

—MURRAY WHITE, Winnipeg

The missing moral factor

The *Maclean's*/Decision Poll is to be commended for raising Canadian self-understanding ("A national report card," Jan. 6), but unfortunately, your poll fails to assess Canada's moral fibre. Peter C. Newman identifies the missing factor in his essay "A disquieting mood" when he writes, "Schlaflyism, for a growing segment of the population, seemed to have become Canada's official religion." We would indeed be in a dangerous way if greed, malice, selfishness and self-centredness have replaced our Judeo-Christian heritage, which gave us the two most important social principles: to love and serve God and our neighbor as ourselves.

—DR. ERNEST G.G. VAN TILBURG, Montreal

Setting the record straight

Your Jan. 20 People column says that Jack Kent Cooke, now owner of the Los Angeles *Daily News*, has been out of the publishing industry since he sold his share in the Thomson chain in 1982. In fact, Cooke continued to be a magazine publisher for about another decade as owner of *Saturday Night, Liberty* and other magazines.

—ROBERT FULFORD, Editor, *Saturday Night*, Toronto

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to Letters to the Editor, *Maclean's* magazine, 4000 Yonge Street, 177 Bay St., Toronto, Ont. M4W 1A7.

PASSAGES

DIED: L. Ron Hubbard, 74, founder of the six-million-member Church of Scientology, of a stroke, in Los Angeles. Hubbard, who had not been seen in public since 1981, was a major criminal investigation by the U.S. Internal Revenue Service.

AWARDED: To Quebec playwright Michel Tremblay, 42, the top \$10,000 Floyd S. Chalmers Canadian Play Award for *Abnerne, le Fier Témoin*. The annual awards are named by the family of Floyd S. Chalmers, cultural philanthropist and honorary chairman of *Maclean's* Hunter Ltd.

APPOINTED: Dennis McIlennett, 63, the first British-born president of the Canadian Labour Congress, as Canada's ambassador to Ireland. McIlennett announced last November that he would be stepping down from his current post.

COMPLETED: The sale of Crown corporation de Havilland Aircraft of Canada Ltd. to Boeing Co. of Seattle for \$188 million by the Conservative federal government is a secret arrangement. Industry Minister Sinclair Stenois signed the final agreement two days before the scheduled Jan. 28 close.

DEEP: Actress/author Lili Palmer, 71, of an embolic illness in Los Angeles. Palmer's last role was in the television mini-series *Peter the Great*, which airs this week on HBO.

APPOINTED: Effective in March, Paddy Sherman, 57, publisher of the *Ottawa Citizen*, as president of the Southern Newspaper Group which publishes 15 daily newspapers across Canada.

REINVESTED: By Northwest Territories Commissioner John H. Parker, 58, his last remaining administrative responsibilities, the final step in the territory's move toward a fully elected government.

CHANGED: John Vincent, Gilles Beaulieu and Marthe Levesque, in connection with campaign spending on behalf of Communications Minister Marcel Masse which contravened the Canada Elections Act. Masse himself was cleared of any wrongdoing last November.

SETTLED: A 16-month dispute between the Saskatchewan Government Employees Union and the Saskatchewan government, ending four months of rotating strikes. After the 12,000-member union defied Conservative Premier Grant Devine's ultimatum, Devine ordered the legislature to push through back-to-work legislation.

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On the same wavelength

When reform Canadian farm radio broadcaster George Atkins speaks into the microphone, his audience may be as far away as the Ganges Delta in Bangladesh or the lush plains of Tibet. Atkins is best known to Canadian farmers for his agricultural broadcasts carried on CBC

Radio for 25 years. But since his retirement in 1988 the 65-year-old Atkins has devoted himself full time to a unique series of farming broadcasts designed for Third World farmers. Atkins serves as the director of the Ontario-based Developing Countries Farm Radio Network (DCFRN). The network, funded by

both private and government donations, prepares tape recordings and scripts on everything from simple methods of vegetable storage suitable for poor Third World farmers to insect life cycles. Twice a year the network distributes the material to more than 100 countries.

The program has won overwhelming approval from Third World broadcasters, farmers and development experts from the industrialized world. Said John Meltzer, deputy director of operations for the nongovernmental organizations division of the Canadian International Development Agency (CIDA), which partially funds the DCFRN: "I like most good ideas, it's simple." Atkins founded the radio network in 1979 after visiting Zambia. A farmer who still owns 100 acres near Toronto, Atkins learned that much of the information that Third World farmers were receiving was geared to the use of advanced technology—which was beyond the reach of the world's poorest peasants. Said Atkins: "Transferring our technology to theirs doesn't work."

Since the network's inception, Atkins and his seven-member staff have sent 71 packages covering 248 tapes outlining simple farming methods. Most of the network's ideas originate with the Third World farmers themselves, who offer them to the network's local representatives. One Bangladeshi farmer demonstrated how to build a floating rice paddy on a river raft—a lucrative ploy for peasants in nations desperately short of land. Other ideas originate with the network's staff, including outlines of basic rules of irrigation, how to grow more crops in semi-arid areas with less water and even ways to load strawbale pigs into small crates.

The main problem facing westerners involved in farm assistance programs is the complicated tangle of cultures and politics. As a result, the network's staff consistently avoids making political statements when compiling scripts and wherever possible takes into account local sensibilities. In one program on how to exterminate vermin, Atkins shows deference to Indian Hindus' sensitivity toward killing animals and counseled listeners on how to "drive away" rats rather than kill them.

Atkins has found that by avoiding politics the network has been able to avoid official government censorship. Although the program operates on a modest scale its sponsors claim that it serves as a positive example of how small-scale development ideas can increase food production with a minimum of investment. "Development people have finally realized it," Atkins said. "The small farmer is really going to be the solution to the food problem."

—BUSINESS MADE SIMPLE in Toronto



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Fighting fanaticism

Since the publication in 1962 of her most famous novel, *The Golden Notebook*, an early work that was championed by five stars, Doris Lessing has become known as one of the world's most celebrated, complex and controversial writers. A sharp observer of the human condition and increasingly experienced as an as she, Lessing, at has written more than 20 books—novels, essays, plays, poetry and science fiction—which explore to highly personal terms the political, social and spiritual malaise of Western society. Based in Southern Rhodesia (now Zimbabwe), Lessing has lived in England for the past 30 years. Her recently published novel, *The Good Terrorist*, about a group of self-styled revolutionary "squatters" in a London flat, has furthered her reputation as a novelist who challenges prevailing conventions. Her latest work, to be published this month, *Prayers We Choose to Live Inside*, is a collection of essays based on the author's 1983 *Moscow Lectures* on the state of Western society broadcast by CTV Radio last fall. The lectures are a personal plea for individual political action.



Lessing: Intellectual package deal

tion, are bound to fuel the ensuing controversy that informs Lessing's work. Maclean's correspondent Theodore Lorne interviewed Lessing in New York.

Maclean's: In the 1960s many observers saw you as a champion of radical youth. Were you comfortable with that label?

Lessing: I did not like the 1960s. Other people might have seen the period as a great dawn. But I thought it was ridiculous, facile and self-indulgent. I had already been through a dawn or two, and I don't have much faith in these mass movements. So if people saw me as a champion of the left, it was a great misunderstanding because I was already extremely critical of it by that time. I distrust its ability to confuse self-expression with real accomplishment.

Maclean's: Did you find a brief membership in the British Communist party in the 1950s. What caused your disenchantment?

Lessing: The interesting thing about my involvement with communism is that I had lost all intellectual conviction in it before I was able to be emotionally detached. So I knew from experience how people can get carried away by a political movement. I don't think one should get too excited about it. One can say, I'll support this or I won't support that, but to become identified with an ideology, making around waving your flag and screaming, seems to me very childish, and people who want to be adults should grow out of it.

Maclean's: Your *Moscow Lectures* express the importance of individual action in effecting change. What guides your political choices?

Lessing: Everything is temporary, for a start. I do not hold any deep passionate convictions that I expect to go to the stake for. I like to look at what's going on and think, yes, I agree with what Reagan says in this sentence, I agree with what Gorbachev says in that sentence. I consider myself a socialist, because I think the wealth of society should be held in common by everyone. But to other socialists this isn't acceptable, because I don't belong to their particular church. I no longer go along with what I call the contemporary intellectual package deal. If you belong to the left or right, you have to accept great bundles of ideas that go with each, and I want the freedom to agree with some ideas on both sides. People tend to buy a set of beliefs when they're young and not to be able to change them. Or else they become the opposite of their early beliefs, which is another great pity. It's not a change to be very radical when you're young and very reactionary when you're old.

Maclean's: In *The Good Terrorist* a critic of today's young leftists?

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Lesning: I wasn't making a political statement about youth or the whole of the left. The book is about a certain kind of person in Europe, one who was also common in North America in the 1970s. The characters are people who see revolution as a lifestyle. There's a very great difference between going off and getting a boring job and sitting around saying "We're revolutionaries and we're going to change the world next week."

Maclean's: Do you consider yourself a feminist?

Lesning: When I wrote *The Golden Notebook* I never thought I was writing a feminist book. I was simply writing what I had experienced. But I'm certainly a feminist. I would like more equality for women. I'd like to see them taking a much larger part in public life, as administrators, engineers, physicians, doctors, diplomats. I do not believe that women are more peaceful and loving than men, but they're very practical and they tend not to talk as much rubbish as men when they get ideological.

Maclean's: Now the women's movement isn't a dent in the right direction?

Lesning: I think a great opportunity has been lost, because only a small segment of the population has benefited. Things are generally much better for educated middle-class women, but the movement hasn't even touched the lives of working-class women. It has been very disap-

pointing to me from the start. I think it has reached us in great areas of talk and very little has changed in fact. I admire women who actually do things. I distrust all this sitting around and talking. A lot being changed does more than a thousand complaints about how nasty men's father was when you were 10.

Maclean's: Why does the theme of madness appear so frequently in your novels?

Lesning: Not for an ideological reason. Obviously what you experience gets into your work in one form or another, and ever since I can remember I've been involved in mental, religious or love with either psychiatrists or people who have been slightly off. But critics always expect writers to have a more intellectual approach to their material.

Maclean's: Do you feel reviewers often read too much into your books or misunderstand them?

Lesning: What surprises me most of all is the emotionalism of the criticism. Critics are supposed to be calm and dispassionate judges. When people say, why doesn't she write another book like *The Golden Notebook*, I want to laugh, because when it first appeared the reviews were sour and hostile. So one shouldn't take this too seriously. Books feed their own lives. Bad books vanish and good books go on.

Maclean's: Three years ago you fooled

the literary establishment by publishing the first of two novels under the pseudonym of Jane Somers. What was behind this hoax?

Lesning: Partly I was curious to see what would happen if I wrote a book, it will get published. But if you write a novel without the benefit of a "name," you're judged on its merits. It was like being a new writer and it was really fascinating. There was also a certain amount of mischief in it. The amusing thing is that the so-called experts on my work who were sent these books did not recognize me. No one guessed my identity. This was the major point I wanted to make: that the literary establishment does not know as much about writers as it thinks it does.

Maclean's: How would you describe your typical workday?

Lesning: This is a question you ask men, not women. Women writers can't afford to have a typical day, because they always have to deal with the plumbing or food shopping or something like that. **Maclean's:** How would you like future generations to see Doris Lessing?

Lesning: I would like them to think of me as someone who asked some useful questions. I'd like to be regarded as a part of the civilizing influence and against fascinations and the great man orthodoxies, both secular and religious. ☐

FOLLOW-UP

Children of disaster

The disaster was over in 35 seconds, but some of the worst psychic damage that it caused is only now being reported. When a wide band of 11 tornadoes swept across southern Ontario last May 31, one of the deadliest ripped through the city of Barrie, 20 km north of Toronto. The funnel uprooted trees, destroyed farms and houses and left eight people dead, 289 injured and 808 homeless. But the tornado's most devastating legacy has been the psychological damage that continues to haunt some of Barrie's youngest victims. Many children are still terrified by the sound of a tree branch against their window or a sudden change of weather. Since the disaster, some children cannot sleep alone while others have developed behavioral problems such as hyperactivity and difficulty concentrating in schoolwork. And they all share one dread—that as soon as their community is rebuilt a tornado will strike again.

Among the programs designed to help Barrie's traumatized youngsters is a recreational therapy program de-



Tornado victims sitting debris field

vised by Barbara Shakkil, 30, a child care worker. She is helping the young people learn to deal with their anxieties. Operated by the local Children's Aid Society, the program is the first in North America to target young victims of a natural disaster.

Through such recreational events as films, dramas and weekly dances, members of the group can share their emotions. Experts say that some of the children could have emotional scars for as long as five years, but the program is aimed at alleviating the most pressing problems of adjustment. And it has been so successful that Shakkil plans to double it one month after the tornado's first anniversary. She added, "If feelings are dealt with immediately after a crisis, they will not develop into severe problems."

One of the program's most successful initiatives has been to involve the children in the reconstruction of Barrie, a manufacturing city of 45,000. Beginning last summer the young tornado victims helped to replace some of the trees torn up by the tornado. With saplings donated by local nurseries, one group of youngsters planted more than 100 trees. Said tornado victim Julia Austin: "Maybe when the trees grow big, things will be normal again."

—JOHN LEGERMAN in Barrie



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COLUMN

Tough decisions about the dollar

By **Dian Cohen**

It was only 16 years ago that the Canadian dollar was worth \$1.64 (U.S.). Last week our embattled currency struggled to stay above 70 cents. That represents a drop of 52 per cent in the past decade, six per cent in the past year alone. Pension fund managers say that if it were not for the fact that they are prohibited by law from allocating more than 10 per cent of their assets to non-Canadian investments, virtually none of the hundreds of millions of dollars now under their management would be invested in Canadian corporations and government bonds. Finance Minister Michael Wilson says that the dollar's free fall is not his fault. The Canadian dollar has been declining against its American counterpart for a decade, he has only been finance minister for a little more than a year. That, one assumes, must prove that it can't be his or the Conservative government's fault.

Many Canadians, preoccupied with winter vacations in warm but increasingly expensive U.S.-dollar-linked resort islands, must be wondering what is going on. What is clearly going on is that long- and short-term investors alike are turning their backs on the Canadian economy.

Short-term investors—people who place their money solely on the basis of the interest rate they can get—are investing elsewhere, such as in the United States. The lack of public confidence has reached the point where officials at the Bank of Canada have expressed concern that \$300 million committed by small investors in Canada Savings Bonds (CSBs) has been cashed in the first three weeks of January. Ordinary Canadians, who have traditionally favoured cars as a reliable investment vehicle, are beginning to favor more attractive short-term alternatives that pay higher yields, such as guaranteed investment certificates issued by trust companies and money market funds. To prevent an even more serious run on CSBs, which could interfere with the government's supply of funds, the Bank of Canada may have to consider raising the rate of return on the venerable CSB in the coming months.

Meanwhile, the outlook for long-term investors—who have used the stock market to make profits by adjusting their money for 10, 15 and 20 years so that the country can modernize, restructure

and develop resources at a profit—seems even more bleak. Many are saying that they have little faith that they are even going to realize an acceptable return on investment.

Is the Canadian government to blame? Specifically, no. In general, yes. Specifically, speculators who play the money market cause temporary drops down a vulnerable currency. But they cannot keep it down if it has a higher perceived value. That has happened to the Canadian dollar in the past, when the dollar dropped from \$1.04 in 1974 to 97 cents in 1975 because of speculative pressure. By 1976 it had rebounded to \$1.64. And it is, to a degree, what has happened in recent weeks when speculators bet that the Canadian government would not let interest rates rise and would allow the dollar to drop.

In general, however, the Canadian government is responsible for the de-

The Canadian dollar has been declining for a decade because investors have lost confidence in the nation's economy

clining and international perception of the currency. Today, as 15 years ago, Ottawa is responsible for the general economic environment. That environment includes a prognosis that the Canadian economy will continue to weaken, and that the tax and interest rate policies in place are inappropriate. That prognosis is based on the fact that this year more than \$1 billion extra will be squeezed out of the pockets of consumers and into the coffers of the federal government—through a new manufacturers' sales tax hike, a new surtax on "high" incomes and general income tax increases. Despite such an enormous amount of money entering federal coffers, there is a parallel perception that Ottawa will do little to reduce the nation's monstrous deficit.

In addition, there is a widespread belief that our single source of production trade surplus—is rapidly being eroded. From December, 1984, it shranked by \$2.6 billion to \$16.6 billion just last month's later. As if that weren't enough bad news, investors seem convinced that the federal government has covertly decided that the proper

way to address the deficit is to rely as little as possible on higher taxes rather than as tough-as-nails spending cuts—or, at the very least, on a combination of higher taxes and deeper spending cuts. Without question, higher taxes and higher interest rates add considerably to the cost of doing business in Canada. These factors are far more influential in the investment decision-making process than the benefits of a small improvement in the inflation rate. Similarly, they have more effect than the slightly more optimistic attitude of this government so foreign investment compared to its Liberal predecessors.

Here is a situation in which perception governs reality, and perception is what is encouraging speculators to flood the currency markets with unwanted Canadian dollars. The coup de grace today is the clear belief that the Bank of Canada will be reluctant to allow Canadian interest rates to rise. This is probably a correct assumption. By raising interest rates when the jobless rate is still higher than 13 per cent, the government will not encourage job creation. At the same time, it would only further hinder Canadian companies struggling under a burden of corporate debt greater than that of U.S. firms.

But even if the Bank of Canada governs are reluctant to raise interest rates, they may come to terms with the painful correlation between interest rates and the value of the dollar. Just to show the desecration of the dollar the central bank will have to widen the present narrow gap between American and Canadian rates.

Although the federal government refuses to acknowledge that the Canadian standard of living is declining, Canadians can see the stark facts for themselves. When compared to 1970, our \$40 billion in government debt has put us on par with the top of the heap of nations burdened with high levels of debt. Since we also have one of the worst records of manufacturing productivity in the industrialized world, a drastic restructuring of the economy is necessary—not just to make Canada a more interesting place to invest but to prevent us from getting a lot poorer. That restructuring involves the tax system, the social security net, federal-provincial arrangements and all the other levers we lost to ignore. It is becoming increasingly difficult to keep up the pretence.

Dian Cohen is a Montreal-based economist and writer.



Free trade in the balance

Four months have passed since Prime Minister Brian Mulroney formally proposed to President Ronald Reagan that Canada and the United States begin discussions aimed at broadening trade between the two nations. Since then, a heated debate has erupted in Canada over how the talks should be conducted—and the advisability of launching them at all. While the provinces are angling with Ottawa over their role in the negotiations, officials in Washington are increasingly frustrated by the number of economic areas that Ottawa wants left off the bargaining table. Indeed, by last week the growing weight of opposition and disagreement had cast a cloud over the entire endeavor, threatening to prevent the talks from getting under way this spring.

In an effort to resolve one of the most difficult issues, Canada's chief negotiator for the proposed talks, Simon Reisman, arranged an Ottawa meeting this week with senior provincial officials. His objective is to clarify their demands for "full provincial participation" without locking his room for maneuver in negotiations. Ontario Liberal Premier David Peterson, for one, insists that an agreement on the scale of the talks "must come from all the provinces, as well as Ottawa." Peterson also claims that freer trade could cost his province 250,000 manufacturing jobs. But Mulroney, asked last week whether each province would have a seat at the bargaining table, said flatly, "I don't think so."

At the same time, some U.S. officials expressed concern at mounting demands that key aspects of Canada's economy be excluded from the trade talks. American officials have been questioning the feasibility of free trade representative Clayton Yetter, the hard-driving customs cattle rancher who will eventually oversee negotiations with Reisman's Canadian team. So far Ottawa has identified three economic sectors that it wants to exclude. Among them:

- Cultural industries such as publishing and advertising, where a controversy has raged in recent months over the proposed takeover of Toronto's *Post-Newsweek* Ltd. by New York's *Gulf Western Industries Inc.*

- The 1985 Canada-U.S. auto trade pact, under which Canada had a 28% surplus of about \$4 billion.

- The previously backed marketing boards that help determine the price of agricultural products.

Peter G. Murphy, the 37-year-old trade official expected to be named chief U.S. negotiator under Yetter, told Mulroney's that when Ottawa says "certain items are not negotiable," it obviously



decreases our interest" in reaching an agreement. Another American official described Ottawa's position and its trade with the provinces as both "frustrating and disturbing."

In the meantime, with the U.S. economy facing growing competition from abroad, the House of Representatives and the Senate are considering hundreds of protectionist bills aimed at erecting trade barriers against goods ranging from Japanese cars and trucks to Canadian softwood lumber. Speaking in Montreal last week, deputy assistant U.S. trade representative William Merkley noted that Congress has begun to realize that about \$28 billion of the \$148-billion U.S. merchandise trade deficit in 1985 resulted from imports of goods from Canada, which sells 75 per cent of its exports in the United States. Declared Merkley: "There's a nice little chunk of the U.S. deficit coming from Canada." Despite that, says Peter Morris, non-president of the Washington-based National Planning Association, "there's a feeling in Canada in some of our circles that there's an opportunity to solve specific problems."



At the same time, some experts contend that rather than creating greater prosperity, a widened trade pact with the United States would cost Canada jobs. The reason: intense competition from huge American firms and the closing of U.S. branch plants that would no longer need to locate in Canada after tariff barriers were removed.

Among the premiers, Peterson and fellow Liberal Robert Bourassa of Quebec have emerged as the two provincial leaders with the strongest reservations. After meeting with Peterson in Toronto last week, Mulroney said that the declining Canadian dollar underscored the risks involved. As part of a free trade pact, said Bourassa, Washington might seek to control Canadian interest rates. If Washington put pressure on Canada to raise its dollar value to 80 cents U.S., he said, "and we lose control of our independent monetary policy, we could be in very serious

trouble." The dollar closed last week at 79.20 cents U.S., an all-time low. When trade talks between Ottawa and Washington finally start, they will indirectly pit two singularly tough-minded and dedicated men—Reisman and Yetter—against each other. While Murphy, currently serving in

praised gangster roles. "He can be extremely tough, extremely firm and he can be shrewd," said James Grady, a former federal civil servant and now Reisman's business partner. "But he can alternate that with a great deal of charm and persuasiveness. He has a short temper, which he sometimes uses

well. World War II Reisman served overseas from 1943-45 as an officer with the Royal Canadian Air Force. Before becoming Robert Bryer's replacement in negotiating Reisman for a job in the federal finance ministry shortly after the end of the war. "He was still in his uniform," said Bryer, "and I was much impressed with his ability and his drive to get ahead."

Reisman also possesses great self-confidence. Gordon Robertson, a former clerk of the Privy Council, recalls that during French-language classes in the 1960s Reisman questioned the need for learning the language in French, which was giving him trouble. The in-



structor explained that the subject was said to express fear, worry or doubt. Said Reisman: "Then I don't need it. I'm not afraid. I don't have worries. And I'm never in doubt."

As a young civil servant, Reisman joined the Canadian negotiating team that went to Geneva in 1944 for the establishment of GATT and then became a rapid rise through Ottawa's ministries. During the 1960s Reisman played a pivotal role in formalizing Canadian trade and trade policies and he acted as Canada's chief negotiator in discussions that led to the Auto Pact. Then, as now, he made a lasting impression. During delicate currency negotiations in Washington in 1971, Bryer recalls that at one point Canadian Finance Minister Edgar Snider was recalled to Ottawa, leaving Reisman in charge. When Snider returned, then-U.S. treasury secretary John Connally expressed relief that "you kicked that out of a bitch Reisman off my back."

Even some of his closest colleagues were wary of Reisman's shrewdness. Former deputy prime minister, recalled that in dealing with Reisman, "I had to stand up to him. If you dem-

Reisman (left), transporting B.C. lumber; Yetter, intelligent and very tough.

Genoa as U.S. representative to the General Agreement on Tariffs and Trade (GATT), is expected to lead the U.S. delegation in day-to-day sessions. Yetter will set overall U.S. policy and handle critical phases of the talks. If Reisman and Yetter meet over the bargaining table, it could provide a fascinating spectacle. Both men are known for their bargaining skills, their intelligence and for a sometimes abrupt and outspoken style.

A senior civil servant who left the federal bureaucracy in 1975 to become a highly paid consultant, Reisman, 60, is known around Ottawa as a tough, cigar-chomping, backslapping entrepreneur who sells conversations with four-letter words and otherwise opponents with managing gloves. At times he resembles colleagues of Hollywood actor Edward G. Robinson in one of his char-

acter roles. "He can be extremely tough, extremely firm and he can be shrewd," said James Grady, a former federal civil servant and now Reisman's business partner. "But he can alternate that with a great deal of charm and persuasiveness. He has a short temper, which he sometimes uses well."

But during his long career in Ottawa Reisman has learned to deal with political fireworks. The son of working-class Jewish parents who emigrated to Canada from Eastern Europe and settled in Montreal, 30 Simon Reisman studied as a soda jerk to help pay for his studies in economics and political science at McGill University, then did postgraduate work at the London School of Economics. During the Sec-



Murphy and (right) Rossner endorsing their 'obviously decreasing our interest'

contrasted that you were in any way afraid of him or timid, it was hard to proceed." Other civil servants who have dealt with Reisman were more critical. One, who asked for anonymity, said that Reisman has "more bluster than brains." But Robertson declared "Reisman can be aggressive. But he's not necessarily aggressive. He's a shrewd, competent negotiator, highly capable of defending Canadian interests."

Away from work, Reisman is a skier and an avid salmon and trout fisherman. In Ottawa he lives quietly in a three-bedroom house in suburban Alta Vista with his wife, Constance, who owns an interior design business. The couple has three grown children.

A dedicated believer in free enterprise—"basically he's concerned that Canada should be a market-oriented economy," noted Byrnes—Reisman is already considered under pressure to end certain sections from trade talks. His worry, explained Grandy, is that while U.S. envoys also have issues they want to keep off the bargaining table, "they're not talking about it, and it weakens our position to do so before we've had a chance to flush out the Americans." In an interview with Maclean's last November, Reisman himself dismissed the argument that free trade would place Canada in danger of being absorbed by the Americans. People who think like that, he said, "think of the North American market as a little pie. The volume of trade is to add to the size of the pie."

At the negotiating stage, Reisman's counterpart will be a man who, like him, started life in modest circumstances and was an influential player in public life through sheer intelligence and determination. The 55-year-old Yeutter has a reputation for using

very plain language. "He has a penchant for insulting people," declared a former colleague. Added another: "Clayton tells the truth, and sometimes the truth is unpleasant to hear."

Based on a farm in southern Nebraska during the dust bowl days of the 1930s, Yeutter (rhymes with "fighter") studied agriculture at college, served as an aviator in the U.S. Air Force during the 1940-51 Korean War and then earned a degree in law and a doctorate in agricultural economics from the University of Nebraska. In 1979 he joined the federal agricultural department during President Richard Nixon's administration, rising to assistant secretary for international affairs. Later, in a surprising career switch, Yeutter moved to Chicago for a seven-year term as president of the Chicago Mercantile Exchange before being asked by Reagan to take on his present job. A tough-minded defender of U.S. interests, Yeutter as trade representative helped persuade the Reagan administration to launch a growing number of actions against nations suspected of unfair trade practices against the United States.

In presiding over the negotiations, Yeutter will almost certainly encounter Canadians equally dedicated to protecting their nation's interests. But before the two sides meet, they will have to resolve a critical difference of opinion. While Ottawa is intent on excluding sensitive sectors, Yeutter has made it clear that such exemptions are unacceptable in Washington. "We're going to come out with a level playing field," Yeutter has said, "or we are not going to have an agreement when we're through."

—MARK NEWMAN with PAUL GERRARD and STEPHAN MACLENNAN in Ottawa, ANTHONY J. WATSON in Ottawa, and MICHAEL L. SUTHER in Washington and EUSTON BOLLIG in Ottawa

A verdict on Flight 182

For the past seven months police and civilian investigators on three continents have been sifting evidence from Air-India's Flight 182, trying to determine why the plane crashed off the coast of Ireland on June 23. The Boeing 747, flying to Bombay from Toronto, carried 329 people, none of whom survived. Since the crash, many experts have suggested that a bomb planted on board caused the disaster. Last week, for the first time, the Canadian Aviation Safety Board (CASA) said exactly that. In a report to a New Delhi judicial inquiry the board declared, "The evidence does not support any other conclusion."

In making its case, the board cited Indian analysis of wreckage, including a cabin door, which showed holes that could be explained only by an explosion. The wing and tail damage, said the report, indicated that the explosion occurred in the forward cargo hold of the plane. While the board conceded that the evidence was circumstantial, Bernard Deschamps, the CASA chairman, said, "It was an explosive device that should not have been there."

But lawyers for Air-India and Air Canada, which are facing multi-million-dollar liability lawsuits, said that the Canadian report was riddled with errors. During an intense cross-examination of the board's senior investigator, Arthur LaPlante, Air-India lawyer Iqbal Bhutta challenged the report's findings that Toronto airport security—the joint responsibility of Air Canada and Air-India—was inadequate. He also accused the board of colluding with the federal government to make Air-India appear liable for the disaster. LaPlante denied the accusations, insisting that the report was "designed to state [the crash] in a way that determines the contributing factors and causes" of the crash.

For his part, Air Canada lawyer John Strong called the CASA report "at best redundant, at worst misleading." But neither Strong nor Bhutta offered evidence to refute the board's theory. Ending its hearings this week, the Indian inquiry is expected to review the testimony before issuing its final ruling later this month. And that decision, experts say, will have a critical effect on the next stage in the legal process: the suits filed by families of Flight 182's victims.

—STEPHAN MACLENNAN in Ottawa

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V O L K S W A G E N



Headliner: "contestants did anyone tell me that Hatfield would win the election?"

A judgment on Hatfield

The setting is remote—the small rural city of Edmundston, N.B., forming a hinge between Quebec and Maine on the northwestern edge of the province. On opposite shores of the Madawaska River, which bisects the city, stand the campaign offices of the Liberal and Conservative candidates in a scheduled Feb. 10 provincial by-election. But while only one seat in the 88-seat legislature is at stake, the election is regarded as critical by observers across the province. At issue, the leadership and political future of Conservative Premier Richard Hatfield.

The importance of Edmundston as a barometer of political sentiment is largely a result of its history. For the past 61 years the mostly francophone village has been a bellwether: the elected member has always represented the government of the day. Says Conservative candidate Charles Fournier: "With me, voters know they will have a deputy on the government side." On the other hand, recent opinion polls indicate that if Hatfield—Canada's longest serving premier—calls a widely expected general election later this year, he will lose. Says Liberal candidate Roland Beaudin: "De voters want to be on the north of a new government or at the head of an old one." Neither says, it is Hatfield's controversial record in office that dominates the campaign debate.

The by-election will also test the pre-

mier's support among New Brunswick's 250,000 francophones—roughly one-third of the population, most of it concentrated in the north. The colorful Jean-Marc Stévenne, Hatfield's French bestman and Edmundston's M.L.A. for the past 15 years, was credited with building up the premier's popularity among the French. In fact, in the last general election in 1980 the Tories swept nine traditionally Liberal ridings. But Stévenne's appointment to the Senate last summer created a vacuum and many francophones, some Tories too, may now switch their support to the Liberals.

In his 35 years as premier, Hatfield has always called elections during the fourth year of his five-year term. Most observers expect him to follow that pattern, leaving the call this fall. But some insiders speculate that he may wait until the last moment—October, 1987—to go to the polls. The reason: to put as much distance as possible between recent scandals and an election.

For the past year Hatfield has endured several heated controversies. In

January, 1986, he was acquitted on a charge of marijuana possession. Then the premier faced—and stoutly repudiated—public accusations that he had offered university students cocaine in his home. In September Hatfield acknowledged lobbying Ottawa on behalf of New Brunswick-based Star-Kist Canada Inc. after the firm's canned tuna was rejected by federal inspectors. The ensuing debate forced labor-minister Jock Foweraker to resign, but Hatfield again survived, defeating an attempt by his own Tories to force a leadership review.

Fournier, a 37-year-old teacher and distant relative of the late senator Edgar Fournier, denies that Hatfield's image is an election issue. But the premier's name does not appear on any campaign literature and the Tory candidate has focused his campaign on local issues such as unemployment—18.5 per cent in the Madawaska region. Hatfield himself has been largely absent from the contest. During one public appearance last month heber fans in Edmundston's river arena boomed the Tory leader as he dropped the puck to start the game.

Beaudin, 41, was first approached to run in Edmundston by the Conservatives last year. Hatfield assured Beaudin that his job—as the assistant director with the Northwest Industrial Commission—would be protected despite a ban on employees engaging in partisan politics. Said Beaudin: "He said he was pretty sure it was against the Canadian Charter [of Rights and Freedoms]." But Beaudin later rejected the Tory offer and decided to accept the Liberal nomination. His reasons were pragmatic: "I checked around," he said, "and nowhere did anyone tell me that Hatfield would win the next election." Shortly after, he was fired.

Even if the Tories lose next week's by-election, they will still hold a comfortable majority in the legislature. After the Tories' loss in two of three by-elections in the last 15 months the standings are Conservatives, 37, Liberals, 19, New Brunswick, 1. Still, on both sides of the Madawaska River, New Brunswick voters clearly recognized the significance of the Edmundston role—and its probable outcome. Said New Democratic candidate Raymond Marois, re-elected in a third-place finish: "The Tories are out the door as far as I'm concerned."

—KATHRYN BARLEY in Edmundston



Hatfield controversy



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Wiping up a field: a two-year-old drought and a legacy of soil erosion

A western winter plague

For Canadian farmers, few events are more wrenching than watching topsoil, the crown of their land, blow away in a dust storm. "The first thing you want to do is hide in your basement and not look at it," says 34-year-old Vuel Tolley, who runs a 580-acre mixed farm 12 km east of Fort McLeod, Alta. "Then you get mad and frustrated." This winter great black clouds of moving soil, as much as five tons per acre, have been sweeping across the prairie, causing serious concerns among farmers. Three weeks ago winds swept so much nutrient-rich topsoil off one 60-acre patch of Tolley's farm that he asked the local municipality to rip up frozen clods of earth in the field with "rust graders." "Bigger" is the blowing of 35- to 45-cm furrows 4.5 m apart to prevent soil drift—has become an increasingly common practice among prairie farmers fighting the legacy of Western Canada's 1993-94 drought, soil erosion.

In southern Alberta and Saskatchewan the problem has been compounded

by unseasonably dry and warm weather. In December daytime temperatures ranged between 8 C and 10 C (instead of the average of just below zero) for 35 days. That trend continued last month. Instead of the average 11 cm of snowfall, there had been only two centimetres as of Jan. 26. The absence of snow has allowed fields to thaw and dry, loosening the crust that prevents erosion. And because last summer's drought left little crop stubble to hold the soil down, millions of acres have become susceptible to winter winds. Noted Lethbridge meteorologist Barry Grace: "Soil erosion follows drought by a year or so. This winter we have the potential for some pretty severe problems."

Still, experts expect that the soil losses will not exceed last winter's. In 1994 high winds swept as much as three centimetres of the 13-cm-thick topsoil off several hundred thousand acres of paved farmland. It takes nearly a generation for an inch of topsoil to regenerate. In the last two years, said Eric Horton, Alberta's ag-

ricultural director for the Lethbridge area, more than 130 farmers have been asked—under the Soil Conservation Act—to rip up their land to prevent drifting. Hundreds more have voluntarily plowed up earth as much as 30,000 acres.

In Saskatchewan the problem is also worsening. A November 1993 survey of 22 million acres by the Prairie Farm Rehabilitation Administration, a federal agency, identified almost half of the land in the province's rich southern farm belt as highly vulnerable to erosion. "If we don't get move before the spring the areas of potential land loss will expand," said PRA soil specialist William Hargreave.

Ever since the first pioneers broke the sod on the prairies in the 1880s—replacing sturdy grassland with productive but fragile grain fields—soil erosion has been a chronic concern. Although the problem annually costs farmers \$600 million in lower yields and lost productivity, it has never been a political priority. But in the past three years four separate federal government studies have all described soil erosion as a national problem requiring urgent attention. A 1985 report by the independent Canadian Environmental Advisory Council even declared that the cost of controlling soil losses due to erosion and other factors could easily total \$3 billion by the year 2000.

In addition to drought, experts say that traditional farm techniques have significantly aggravated soil losses. Economic pressures have forced farmers to grow cash crops like canola (rapeseed) which leave little residue to hold the soil, and to use herbicides and fertilizers that require too much cultivation. While an increasing number of farmers practise soil conservation—tilling less and switching to organic or no-till (minimum cultivation) farming—most are still not prepared to risk changing methods without guarantees of compensation for any losses suffered. Many soil experts and farmers contend that neither the provinces nor the federal government are acting vigorously enough to encourage conservation. Says C.F. Bentley, the retired dean of agriculture at the University of Alberta: "We need a long-term program that all levels of government will support."

The North Dakota soil conservation program in 1985 gave farmers \$15 for every acre converted to no-tilling methods of tillage. In one year some 200,000 acres were converted. But there is no similar program in Canada. Soil Tolley: "Until the soil stops blowing, nobody is doing enough."

—ANDREW NEWKOME in Edmonton with DAVID HARRISON in Regina



Constructing makeshift shelters, sifting through soil for health and bones

Clawing into a tragedy

They looked like berry pickers or garden weenies—rows of kneeling workers slowly advancing up a hillside, sifting plastic garbage bags as they moved that the 40 men and three women who crawled methodically across a dump tract of Newfoundland terrain last week were engaged in a grim enterprise. The workers were U.S. military personnel. The objects of their quest: scraps of bone, teeth, army identification tags, small bits of metal—everything that remains from the crash of the chartered Arrow Air DC-8 last Dec. 12, moments after taking off from Gander International Airport. So much of the plane and its contents disintegrated in the ensuing fire, fed by 331,000 lb of fuel from ruptured tanks.

After the first search of the crash site in December, a second investigation was launched in January by personnel of the Pentagon's graves registration division, more than 30 police officers and about three dozen local construction workers. "So far they've found military equipment, human remains, personal effects and aircraft parts," said RCMP Staff Sgt. Hugh Johnston. "That's basically what they were looking for—anything to assist in identifying the remains." Military equipment marked with numbers can be matched with individuals. The investigators have also turned up two bodies buried in the original search, one found under the nose of a tree frozen ground—then snugged back

into position, concealing the human remains that fell beneath them. The current search, taking place amid a gathering debate about the future of the airport, is designed to remove every available scrap of the plane and its contents. It is a formidable task. In the final moments of its descent the huge jet dived over a steep slope toward Gander Lake, two kilometres from the airport. Engines, wings and fuselage were sheared off as they slammed against tree trunks. Wreckage and human remains were scattered over an area about 100 m wide and almost a kilometre long. And much of the plane and its contents disintegrated in the ensuing fire, fed by 331,000 lb of fuel from ruptured tanks.

To uncover what remains, searchers first divided the site into squares and cleared each one of the spruces, fir and birch trees that blanket the area. Greenhouse-like structures were erected and fitted with propane heaters and electric fans to melt the thin snow-and-ice cover. When the soil has thawed, searchers start at one end of each square and cover every inch of ground as they move uphill. Soil is sifted through screens for rings, teeth, and bone shards. Items are tagged to indicate where they were found, then returned to army laboratories in Denver, Colo.

Meanwhile, the attention of many residents of Gander (pop. 12,500) has shifted from the investigation to Air Canada's bid to move its international

flights to St. John's, the provincial capital. Residents say that the proposed transfer, backed by Justice Minister John Crossin, MP for St. John's West, would seriously undermine the town's economy. "Once international flights start being uprooted off, we may be left with very little," says Fraser Lusk, a high school neo-principal and town councillor. Adds Bruce Fulcher, president of Gander's Chamber of Commerce: "We're trying to promote a \$4-billion industrial park. What businesses are going to want to move here if we lose our international status?"

Creebie has annoyed many Ganderites for turning down town officials who went to Ottawa with a request that he intercede to block Air Canada's move. According to Mayor Doug Sheppard, they had just begun to discuss their case when Creebie snapped: "God damn it, don't give me that crap. My mind is made up." Creebie apologized, telling them that his mind was made up but later used the strong language.

Built by the British government in 1958, the airport outside an area that extends halfway across the Atlantic. Its recent growth is partly the result of a sustained marketing campaign. "We're been stealing traffic from such areas as Bangor, Maine, and Shannon, Ireland," said Sheppard. Last year jets from three continents made 2,301 stops at Gander for fuel and other services. The airport generates \$150 to \$250 million a year and 1,100 jobs. While the search for crash victims proceeds, Ganderites are rallying in a campaign that they regard as vital to an attempt to protect the town's economic heart.

—PAT BOKER in Gander

A SPACE TRAGEDY

WORLD/COVER

The moment had arrived at last. After three days of delays caused by icy weather and technical problems, the U.S. space shuttle Challenger prepared to take off from Cape Canaveral to orbit the Earth. Among the seven astronauts on board was a schoolteacher with the right stuff: Christa McAuliffe, a curly-haired and smiling 32-year-old from Concord, N.H. Selected from more than 11,000 applicants to become the first "ordinary citizen" in space, she was to turn the Challenger into a cosmic classroom, beaming down-to-Earth lessons on space travel to students below. Before she climbed into the spacecraft, a

ground crewman handed her an apple—an apple for the teacher. "Good morning, Christa, hope we go today," said a ground control official. Ragged McAuliffe, smiling into her seat: "Good morning! I hope so too."



At 11:07 a.m., a million cameramen around the end of his countdown "T minus 10, 9, 8, 7, 6, we have main engine start, 4, 3, 2, 1. And lift-off, lift-off of the 25th space shuttle mission and it has cleared the tower." The shuttle—all 100 tons and \$1.8 billion worth of it—rose majestically in the brilliant blue sky, powered by 500,000 gallons of liquid hydrogen and oxygen. "Challenger, go at throttle up," said

James Wetherbee, mission control in Houston. "Roger," replied flight commander Francis (Dick) Scobee, "go at throttle up." Then it happened: an enormous explosion of bright orange flame and smoke, sending the shuttle's twin solid-fuel rocket boosters sailing off in different directions—white prongs in fork-shaped contrails. A National Aeronautics and Space Administration mission control center in Houston, apparently looking at his notes and not his TV monitor, said, with



chilling understatement: "Obviously a major malfunction."

Back in the drama fields at the Kennedy Space Center hundreds of millions who had cheered on liftoff suddenly became silent. Brian Bedford, covering the event for the newspaper of the Concord school where McAuliffe taught, said he thought that the explosion was a normal separation of the boosters. "And things started spinning around. I just felt sick," McAuliffe's parents, Ed and Grace Corrigan, and sister, Lisa, appeared confused, then stricken, while in a nearby building her husband Steven, nine-year-old son, Scott, and six-year-old daughter, Caroline, stared helplessly. Finally NASA officials led all the spectators away. "It was a terrible lie the rest of them,"



Challenger's trail to disaster: a perfect lift-off, then sudden oblivion

swailed Myra Jellolai of Houston, who had watched from the bleachers. "I couldn't believe it had happened."

The demise of Challenger, which occurred just 74 seconds after takeoff, was the worst disaster in space history. All seven astronauts were apparently unharmed. Jesse Moore, the NASA shuttle program's associate administrator, immediately suspended all future shuttle operations "until we can get a handle on what our problems are here." In fact, coming just days after the unmanned space shuttle Voyager 2 rushed back spectacular photographs of the moons of Uranus, the shuttle explosion reopened debate over the merits of manned versus unmanned space flight (page 38). And it powerfully re-emphasized the enormous risks that every astronaut takes (page 35), just 25 years after man first roared into space.

Shoreline But as scientists tried to determine the cause of the accident last week, it became painfully apparent that the tragedy belonged not merely to NASA and the "villains" families and home towns (page 33). It also touched a national nerve. Children throughout the United States sat stunned before television sets in school auditoriums

Everywhere church bells tolled and flags flew at half-mast. President Ronald Reagan postponed his scheduled state of the union message and instead gave a special televised address mourn-

ing the "seven heroes" Condolences poured in from around the world. In a live TV broadcast shortly after the accident, Prime Minister Brian Mulroney called the disaster "a terrible loss in remarkably tragic circumstances."

Melancholia Part of that sense of loss was due to McAuliffe, the ordinary woman doing extraordinary things. The rest of the crew was also appealing: three white males, teacher mother (who was Jewish), a black and an Asian-American—the very image of the traditional U.S. mainline. And perhaps above all there was the shock to the public's enduring fascination with space. The last frontier. Also, there was the undeniable impact of television. Again and again U.S. networks screened the heartrending footage until it almost resembled a home movie: the astronauts smiling and waving as they strode toward the launching pad, the children beaming for a roller coaster. And the image of the explosive end of Challenger evoked that most notorious home movie of all: the one a hyphenator took of President John F. Kennedy's assassination in 1963, showing his head snapping back in the convertible in Dallas.

Streaks As speculations grew surrounding the cause of the disaster, early suspicion centered on the craft's huge external fuel tank, where TV pictures showed a bright flash just before the explosion. A leak in that tank, manufactured by Ball Aerospace-Martin Marietta Corp., would have allowed hydrogen and oxygen fuel to mix and explode. But what might have produced such a leak—or one in the pipelines that carry fuel to the tank—was unknown. Some independent experts said that a debris arm on the launch tower, which had accidentally struck the tank three days before lift-off, might have

Orourke, McAuliffe, Jernst, Resnick (standing); Smith, Scobee, MOORE: (seated)



would more damage than originally believed. Others speculated that freezing temperatures, which had dropped to -5°C overnight, might have damaged a link in the tank.

But last week NASA's Moore said there was still no evidence to support either of these theories. And he would not comment on a report that officials of Pittsburgh-based Rockwell International, the shuttle's manufacturer, had warned that the formation of ice on the launch tower, which had led to earlier delays, was cause for further postponement. Moore said that the freezing weather represented "a low-level risk," but he added, "The consensus of all engineers was that it did not have a serious impact." He also denied that a tight launching schedule, which had included a planned 15 shuttle flights in 1986, led to an unsafe launching. "There was no pressure to get this particular launch up," he said. "We have always maintained that flight safety was a top priority in the program."

Threat: But what baffled officials was that even after takeoff the shuttle's five on-board computers gave no warning of any malfunction. The computers are designed to sense such subtle signs as a temperature increase in the engine or a pressure drop in the fuel tank. The absence of those indications makes the task even tougher. Another potential piece of evidence was also lost, although for good reason: after the explosion, an Air Force range safety officer at Cape Canaveral realized that the two rocket boosters, cork-sealed at the base, could be pushed a button that blew them up.

By week's end, NASA officials had apparently begun studying the possibility that a sudden flicker of flame from one of the solid-fuel rocket boosters, which are attached to the external tank, had ignited the tank's volatile fuel. "This is one piece of evidence," a source told The Associated Press. "They are looking at it, but there is nothing conclusive." Scientists at mission control in Houston pored over flight data searching for clues, and the agency temporarily postponed the launch, much of it belonging to news organizations.

For his part, after watching a replay of the disaster, Johnson Space Center engineer John Albrecht, who is responsible for checking the quality of the rocket boosters' housing, speculated that structural fatigue in the external liquid tank or in either of the two solid-fuel booster rockets could have caused the explosion. And on Saturday *The New York Times*, quoting an unidentified source, reported that one of the booster rockets lost a small amount of power about 10 seconds before the explosion. According to its report, the shuttle's

three main engines shut down almost immediately after the drop in power, and engine and booster nozzles swirled to tilt in correct the divergence of course.

Maineville, 1,000 members of the U.S. Coast Guard, navy and air force searched for shuttle debris in an 8,000-square-mile section of the Atlantic Ocean. At first they recovered mostly small, floating pieces of aluminum. But using sonar and divers, they soon began pulling large sections of Challenger's fuselage from the ocean floor and ferrying them to a special barge at Patrick Airforce Base, Fla. The shuttle's nose, sections of wing and part of the sides were still intact, and so was the side of the cabin, beside a yellow arrow pointing to the escape hatch, was the word "blame." At the same time, air force doctors were examining gruesome remains that floated where 30 km

Christa McAuliffe. A social studies teacher, she emphasized the study of history's ordinary people as well as its famous ones. She planned to keep a diary of her space experience. "I want to be deeply basic and space-flight," she said. That was clearly part of her appeal to NASA, though she also had the intangibles. She was wholesome, a churchgoer, a jogger, a mother of two who lived with her children and husband (a lawyer) in Concord, which she described as a "Norman Rockwell kind of place." She was even pretty.

Celebrity: And suddenly she was a celebrity as well, besieged by reporters and newspaper editors. Meanwhile, at the Johnson Space Center in Houston, she underwent 80 hours of training. "She fits right into the crew," said commander Sreber. McAuliffe also prepared the two 15-minute lessons that



People with five breath at emotional service: cheers that turned to silence

with the open center, bene and above them, were wrapped in blue smoke the material.

Grials: No one could have foreseen such a crisis and when the "teacher-in-space" concept first surfaced less than two years ago it was part of NASA's continuing public relations campaign to create space stars to help with national and international support—and more congressional funding—for the shuttle program. Over the last four years shuttles have transported, among others, the first woman, the first black, the first Canadian, the first senator and the first congressman into space. But it was Ronald Reagan who, trying to appeal to a hostile teachers' union during his reelection campaign, pledged that the first "teacher passenger" would be a teacher.

After 30 months and countless tests and interviews, the panel of educators and NASA officials selected Sharon

who to be televised over the national Public Broadcasting Service to an estimated 25 million students. One, a son of the shuttle, was called "The Ultimate Field Trip." And through it all, she insisted that her upcoming trip did not frighten her. Said McAuliffe: "I really see the shuttle as a safe program."

So, apparently, did the other astronauts, an experienced and electric crew they included.

• **Scobee,** 46, a native of Cle Elum, Washington, who flew combat missions in Vietnam. An astronaut since 1978, he piloted Challenger on a 29th mission to repair a malfunctioning solar collector.

• **Michael Smith,** 48, of Bonifant, North Carolina, who was also a veteran of Vietnam, where he was awarded the Navy Distinguished Flying Cross. Last

4 SECONDS TO DISASTER



• **John Smith,** 36, an Akron, Ohio, native and a classical pianist who went on to earn a doctorate in electrical engineering before becoming an astronaut. On a shuttle flight in 1984, he became the second woman in space, after Sally Ride.

• **William Smith,** 39, a Japanese-American from Kalamazoo, Hawaii, who held a master's degree in aerospace engineering and was a military aviator in the air force. He was flown on a secret military shuttle mission a year ago.

• **Ronald McNair,** 35, from Lake City, South Carolina, a physicist whose shuttle voyage two years ago made him the first black in space. He was sent to launch a small platform to study Haley's comet.

• **Gregory Bress,** 41, of Detroit, Michigan, a Hughes Aircraft engineer who had been bumped from two earlier space flights. His shuttle task was to test the effects of weightlessness on fluid tanks.

For the Challenger crew members, who were also to launch a \$100-million tracking and research satellite, the period prior to lift-off became a waiting game. The flight was originally set for December Jan. 28, but it was postponed by scheduling problems and later by bad weather. Then, on Monday technicians had trouble with a hatch lock, and later fierce crosswinds forced another postponement. "It was just not our day," said launch operations director Robert Stroh. The takeoff was rescheduled for 9:38 a.m. Tuesday but the problems persisted. First an electronic fire-detection system needed repair. Next the cables on the launch pad, some more than half a meter long, chafed against some NASA and Rockwell officials. But finally, after a two-hour delay, NASA gave the order to proceed—and, with a blast of fire, Challenger lifted off on its 25th flight.

Protest: The shuttle disaster was a flash in space that heard around the world. Pope John Paul II offered "blessed prayer" for the "outstanding pioneers of progress" and Canadian astronaut Mark Garneau, who flew aboard Challenger in 1984, said that the astronauts had been "very special people. We loved them, we were proud of them. We felt that what they were doing was important for mankind." Even Soviet leader Mikhail Gorbachev sent a telegram to Reagan saying that "we partake of your grief."

But the tragedy struck with particular harshness in the string of towns near Cape Canaveral that NASA personnel call "Minnie City." On Florida's route A1A, some roadside marquee that normally advertise motel rates and happy-hour specials said "Good Bye to the Challenger Crew" and "May They Rest in Peace." At the Moonlight,

a Cocoa Beach restaurant and astronaut's hangout, waitress Janella Godwin said that she went home early on the night of the accident and found her 17-year-old son, a self-proclaimed skeptic, writing a letter to a friend. "I prayed this morning," the letter read. "I hope there's a God up there reaching his arms out to welcome them." Added Godwin: "We know them, we'd joked only a few nights ago with their wives about life and death. It's like a message around here."

Inside the heavily guarded NASA compound, the lights on the 420-foot launch-pad tower twinkled eerily against the night sky. For James Smith, a 30-year NASA veteran, the disaster had a terrifying sense of déjà vu: he was only 380 ft away from the launch pad when the first Apollo moon capsule caught fire almost 19 years earlier, killing three astronauts in NASA's only previous fatality. "But this was harder," Smith said of the shuttle explosion. The 24 minutes after the flight also heightened the reaction to the 25th "NASA had been so terrified," said retired test pilot Duke Skatzen, "that people began to believe [the astronauts] were immortals."

Chances NASA contributed to the public outpouring in another way: by encouraging people to identify with Charles McDivitt. The next astronaut-in-space is supposed to be a journalist, 1785 have applied. But for now the entire shuttle program remains stalled until an inquiry into the Challenger disaster is completed. Still, planning continues. At the time of the disaster Gurnea had been discussing the March, 1987, flight of Columbia Space Shuttle with NASA officials at Houston's Lyndon B. Johnson Space Center. He told McDivitt that within hours of the tragedy the meetings resumed. Said Gurnea: "We got back at it with greater resolve. We said to ourselves, 'We're not going to stop the world from turning.'"

For his part, Reagan left little doubt that he wanted the program to continue. Speaking at week's end in the grassy quadrangle at Johnson Space Center in Houston, those hordes of six of the seven astronauts were among 150 people gathered for a tearful memorial service, Reagan vowed. "We will continue the conquest of space, to reach out for new goals and greater achievements. That is the way we shall commemorate our seven Challenger heroes." But even those words could not erase that terrible image from the nation's collective mind: the shuttle carrying the heat and brightness toward the heavens, suddenly exploding into oblivion.

—BRIAN KUPEN in Toronto with NATHAN McDONALD in Cape Canaveral and Thornton and correspondents' reports



Artist's conception of shuttle and space station in era of easy acceptance.

GRIM NEW FACTORS IN AN OLD SAGA

COVER

For a generation America has been accustomed to dazzling technological achievements, the triumphs of American space missions had become almost commonplace. Until last week, high-tech suits, landings, moon walks and satellite rescues took place with such precision that major TV networks stopped live shuttle coverage, confining their reports to regular news broadcasts. But that easy acceptance disappeared in an instant on Jan. 28. On that day, after 24 successful shuttle missions, the orbiter Challenger disintegrated in an orange fireball which killed all seven astronauts. Challenger's fiery destruction—recorded on videotape and broadcast around the world—was a reminder of the grim price sometimes exacted to push back

the frontiers of knowledge. Said John Pike, the Federation of American Scientists' associate director of space policy: "Imperfect people cannot create perfect machines."

Disaster: Last week's accident demonstrated the deadly flaws buried in the shuttle's complicated machinery, and it also rekindled a decades-old debate on the merits of manned versus unmanned space missions. Less than a week after the unmanned Voyager 2 sent back its spectacular photographs from Uranus. Indeed, the disaster focused critical attention on the entire U.S. space effort and its shuttle program—a program with a history of massive cost overruns, frequent delays in scheduled launchings and several near-disasters.



Allen and (right) Voyager 2, since PR

And as the National Aeronautics and Space Administration (NASA) searched the Atlantic near Cape Canaveral for fragments of the destroyed spacecraft, there were suggestions that the crash investigation would do more than delay future launches. For one thing, the U.S. defense department—a prime user of the shuttle service—may return to rocket boosters to place its military satellites in orbit. For another, some observers—facing a dramatic rise in already high insurance rates for satellite placement after Challenger's fiery end—may place their hardware aboard Air Force rockets fired by the European Space Agency—NASA's main competitor for space launches. But supporters of the manned space program insisted that the accident was a tragic but temporary setback. Said U.S. astronaut Eugene Sernov, who in December, 1979, was the last man to walk on the moon: "Exploration without man is not exploration at all."

President Ronald Reagan holds divergent views. Just hours after the Challenger exploded, Reagan said during a televised tribute to Challenger crew members—whom he described as "heroic heroes"—that "there will be more shuttle flights and more shuttle crews." Added Reagan: "Other brave

Americans must go now where they've valiantly tried to lead, a fitting place, I've always thought, for Americans: the stars and beyond." Still, administration officials acknowledged that the Challenger tragedy will likely lead to a close examination of what's been said. And White House spokesmen confirmed that the administration was considering establishing an independent study of its goals in space.

Disaster? For the past five years the U.S. thrust into space and the shuttle program have been practically synonymous. But even though NASA mounted a major public relations campaign designed to secure continuing visibility and support—in large part by selecting passengers ranging from congressmen to foreign astronauts for rides into space—inflated U.S. astronaut and politician how-without their support. Among the shuttle critics James Van Allen, the eminent physicist who in 1958 discovered the radiation belts, which now bear his name, surrounding the earth. Declared Van Allen: "The progressive loss of U.S. leadership in space science can be attributed largely to an excessive emphasis on manned space flight."

Truth: Indeed, shortly before Challenger blew up, Van Allen objected the money spent on the shuttle program at the expense of such projects as a satellite inspection of Halley's comet. In an article he wrote for the influential journal, *Scientific American* last month, Van Allen said that the funding had resulted in "a slaughter of the innocent, massive cuts, postponements and cancellations of dozens of programs." And Cornell University astronomer Carl Sagan had added last week: "The shuttle is a disaster, an extremely unsatisfactory vehicle. Serious research was a small adjunct."

Still, in the space rivalry which erupted between the United States and the Soviet Union during the 1950s, success was the only way to represent a watershed of U.S. technology—and the superiority of the American way of life. But the Soviets ended an early lead, achieving such propaganda coups as the first satellite in orbit (Sputnik in 1957) and the first man in space (cosmonaut Yuri Gagarin, in

1961). Then, in 1961 President John F. Kennedy committed his country's resources to placing a man on the moon before the end of the decade—a goal achieved when Apollo 11 astronauts Neil Armstrong and Edwin "Buzz" Aldrin stepped out from their lunar module, the Eagle, on July 20, 1969. And it was during that lunar era that the first "reusable launch vehicle" took shape as part of NASA's ambitious and detailed program for manned space exploration.

In 1969 a breathtakingly ambitious NASA plan called for an orbiting manned space station to be in full operation by 1972, a lunar station three years later and a manned Mars landing in 1986. As the name implies, the shuttle was a major part of that sweeping blueprint—more than 1000 space workers, 100,000 per-year crew and supplies to the orbiting space station. But by 1972, with the moon shots fading into memory and an increasingly cost-conscious Congress examining space expenditures, NASA proposed a less expensive program and a scaled-down space station. At the same time, the military proposed a more important role for the space shuttle: making it a satellite launcher instead of a simple cargo carrier.

Reflection: That plan, supported by an influential study conducted by Mathematica Inc., a firm of economic analysts from Princeton, N.J., swiftly was scrapped. Congressional Republicans contended that the shuttle program would cost no more than \$5.2 billion. The eventual development cost more than \$10 billion. As well, the study, based on information supplied by NASA, projected that the shuttle would be in commercial operation by 1973—a goal that the agency did not achieve until 1982. The study also predicted that the shuttle would perform up to 47 flights a year and start making a profit for NASA after only 30 flights per year.

Just five years after the first successful launching on April 12, 1981, the agency has managed only 24 missions by the four shuttle craft it commissioned—each one of which cost \$2.8 billion to build. And in April, 1986, when the doomed Challenger made its



NASA

mission voyage, NASA estimated that it was routinely spending \$250 million to stage every flight, each of which produced a maximum return of only \$42 million. Indeed, 1986 forecasts indicate that the annual cost of launches was expected to peak up less than one-seventh of the cost of the 15 missions which had been scheduled this year.

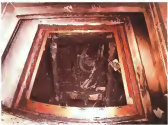
A malfunction in one of Columbia's backup computers delayed the program's first flight for two days. And moments before its second launch seven months later, clogging in two filters feeding lubricating oil to the spacecraft's hydraulic lines resulted in an eight-day delay. Despite those problems, shuttle officials expected to achieve some significant gains this year. Among them a late-summer mission to place a \$1.1-billion optical telescope in orbit. And until last week NASA's plan to stage 24 flights a year by 1990 seemed well within reach.

But until the agency completes its inquiry into Challenger's fatal malfunction, the three remaining shuttle craft will remain grounded. As well, a lengthy delay in launching the shuttle could result in the defense department and important civilian customers taking their business elsewhere.

Even before Challenger's explosion, the technical problems which have afflicted the shuttle program had led the U.S. defense department to study alternative methods of launching its space hardware. And last year the Pentagon won congressional approval for a \$300-million program to convert Titan II rockets into solid-fuel launchers carrying up to four military satellites into space each year. One defense department official, who asked not to be named, told *Maclean's* that many officers in space programs were comparing last week's Apollo launches to the launch pad fire that killed Apollo astronauts Edward White, Virgil Grissom and Roger Chaffin on Jan. 27, 1967.

The investigation that followed the Apollo accident took six months to

complete and caused a nine-month delay in the drive to put a man on the moon. Said the Pentagon official: "We wouldn't want to wait that long." And some observers of the shuttle program, including Robert Bowman, president of the Washington-based Institute for Space and Security Studies, object to the shuttle being used as a freighter.



Burned Apollo capsule: people cannot create perfect machines

Declared Bowman "NASA has been wasting the abilities of man by having the shuttle launch communications satellites. That's a business the shuttle should get on to."

Advocate If NASA accepts that advice, the Paris-based European Space Agency (ESA), a consortium of 11 countries

NASA and has 39 satellite launchings worth \$900 million until December, 1987. It plans to send communications equipment into space aloft the Ariane 1, a rocket which cost only \$550 million to develop and has already successfully launched 18 satellites at an average fee of \$33 million.

Still, the ESA has also suffered setbacks. Last September technicians at the agency's launch site in French Guiana had to destroy a rocket that had twisted off course and threatened to crash on populated parts of Brazil. In that incident, two satellites valued at more than \$50 million were lost in an explosion, which intensified concerns among insurance companies over their ability to provide coverage of hazardous space ventures. Indeed, a spokesman for Lloyd's of London noted that in 1984 insurance companies had paid out \$385 million to the owners of satellites which had gone missing in space or malfunctioned after being launched. And the dramatically rising costs of insuring a satellite are another stark indication of the re-appraised risks of launching communications equipment into space.

The shuttle program had a 100-per-cent safety record before last week's disaster. But an ABC-TV poll conducted within hours of Challenger's disintegration found that 79 per cent of Americans favor the continuation of manned space flight. Said former NASA assistant administrator David Wilbur, for one: "If our entire hope lies only in machinery, without man, a sense of real adventure, as well as a sense of real accomplishment, is lost." The seven men and women aboard Challenger clearly shared that belief. But their fate has



White, Grissom and Chaffin: deadly flames, long delays

added new impetus to the debate over the rights and responsibilities that humanity has in a world beyond its own.

—BAR QUEEN with SPANISH DOYLE DREIDGER and NOVA MURKIN in Toronto, WILLIAM LANTIER in Washington and PETER LEWIS in Toronto

NOVA REPORT No 4

RESEARCH

A closer look

WE'RE USING NEW IDEAS TO GET OIL OUT OF STONE

We're using the latest technology to help put watered-out oil wells back in production

The challenge of increasing Canadian oil output lies in the faces of most of our oil-rich provinces. And oil wells that no longer produce efficiently are one good place to start.

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Grimace in space: Maclean (below) confronts awareness of potential danger

THE IMMEASURABLE RISK OF SPACE

COVER

For Steven Maclean, the immeasurable risk involved in exploring space was an accepted fact. Although the Ottawa-born astronaut—scheduled to be the second Canadian in space—has spent the past 34 months preparing for a March 1987 voyage aboard the U.S. shuttle Columbia, he had never discussed the possibility of a disaster with his parents. But when members of the family gathered in Ottawa last week hours after the Challenger exploded in a ball of fire, they finally came to grips with the issue. Said the 31-year-old life physicist: "It took a while to sink in."

He is not alone. Even veteran space explorers are constantly aware of the dangers. U.S. astronaut Joe Allen has been aboard two shuttle flights—his first in 1982 as mission specialist operating the orbiter space on Columbia.

"We were all aware of how unforgiving space can be," he told Maclean's last week. "It was understood but never talked about. Each person deals with it in his own way."

For astronauts like Allen and Maclean, there are no uncertainties, no set of rules on how to deal with the possi-

bility of death beyond Earth's limits. There are 20 psychologists on staff at the National Research Council in Ottawa where Canada's six astronauts train. They are asked only once if they have considered what impact their death would have on their families. But according to Dr. Kay Dorsch, director of the Canadian astronaut program, acceptance may come during the three months or more of mission preparation. He added: "Candidates realize, as the person achieves full familiarity with the equipment and the necessary reaction to possible malfunctions and emergencies."

Soil: For his part, Allen says that a spouse is more anguished than her astronaut mate. "The toughest part is borne by those not going. It's much harder to stay and watch a loved one leave," he said. In fact, after watching her husband, astronaut Michael Collins—whose first flight was the historic Apollo 11 visit to the moon—ascend into space twice, Patricia Collins wrote a poem titled *To a Husband That Went to the Stars*. In it she asks, "To stay, to wait, yet yearn to go. Where is the comfort for my soul?"

Lo Cunningham, wife of Apollo 7 astronaut Walt Cunningham, in 1968, was one of the first wives to go to Cape Canaveral to watch a lift-off. "In the back of your mind," Cunningham told Maclean, "you know how vulnerable they are and you ask yourself, what if he does not come back? You just don't dwell on it." When her husband was assigned to complete the Apollo 1 mission—which during a rehearsal in 1967 claimed the lives of these astronauts murdered on their mission—Lo admitted that she "weird." But she said that by the time of the launch, "I was just happy what he had trained so hard for and had finally arrived."

Topic: Indeed, before last week's tragedy confidence and success had become almost routine. In April, 1985, after a 30-month delay, the first of 34 shuttle flights roared into orbit and the TV networks broadcast it and the next few launches live. But then the shuttle was relegated to tape on regular newscasts.

Last week's mottored image of the exploding Challenger jolted many observers into realizing the constant peril of space flight. But Steve Maclean's determination to experience it has not wavered. Said Maclean: "My heart may beat faster when I'm sitting in the shuttle waiting out the three hours, but I know I'm sure I will think about the crew members that I

perished—so one will ever forget them. But it will not change the outlook I have on the challenge that lies ahead. I have the desire to fly. It's a part of human endeavor to explore."

—SHERIDAN ABERNETHY in Toronto

MOURNING AN 'ORDINARY CITIZEN'

COVER

Christa McAdiffe's passion for space exploration still dominates Room 305 at Concord High School in Concord, N.H. The white walls of her former classroom are hung with NASA posters of the shuttle Challenger, which McAdiffe rode to a fiery death last week in a mission that would have made her the first teacher in space.

And neither the students and staff at Concord High School nor the people of the clean, steady city of 34,500 will forget her lifelong desire to "reach for the stars." McAdiffe, according to close friend and Concord businesswoman Donna Mark, "had an infectious enthusiasm for adventure that endeared her to everyone who knew her."

And the death of the 37-year-old mother of two made the tragedy a very personal affair for Concord's Solid Father David Messier of St. John's Evangelist Church, where McAdiffe and her family attended mass last Christmas. "She was Concord. She was to us. And when she stepped on that

shuttle, Concord, N.H., stepped on that shuttle with her."

That sense of participation also served in local Concord residents to gather in their sorrow. McAdiffe's chance as the first self-proclaimed "ordinary citizen" to go into space had captured the imagination of the conservative state capital. Last August she

and her 11-year-old son, David, were in the crowd on Main Street for a parade honoring McAdiffe. But in the hours after she died, Main Street—and the entire city—were gripped in a pall of grief and anguish with all the camera crews and reporters who trooped in Concord to chronicle its mourning. Indeed, Nancy Boyce, a secretary who watched replays of the tribute on a television set in the

basement of a local department store, said: "There were about 30 of us—and we just watched it over and over again in silence." Many stores shut their doors, and the local cable TV station broke off programming for 36 hours. Said Mark, who had served with her friend in the Junior Service League



McAdiffe (above): police guarding her Concord home. 'Infectious enthusiasm'



"The whole town had participated in Christa's adventure, and everybody is devastated by what has happened."

Among those who suffered most were the 1,100 students at Concord High School. On Tuesday morning 400 students and teachers had crowded into the auditorium at 12:30 p.m. to watch the launch—and sat in shocked silence as they witnessed the death of their friend and teacher. In the following days dozens of students from Concord's 11 public schools, unable to cope with their feelings, sought advice from about 30 psychologists and counselors made available by school administrators. Said Mark Messier, Concord's superintendent of schools: "When reality sets in, there is going to be a great deal of grief and anger, and they won't be sure where to direct it."

Papery: Some citizens tried to escape the media scrutiny in spite of Concord's 31 churches. Last Wednesday night 380 people attended a church mass held in McAdiffe's memory at St. John's Evangelist, but they found the church balconies packed with reporters and cameras. A scheduled mass at St. Peter's Catholic Church was cancelled because the media had disrupted its earlier service by insisting on filming the masses while they prayed in silence. And a prayer service held for 340 students of St. John's Episcopal Catholic elementary school turned into an impromptu service, with reporters surrounding the children.

Adults had difficulty accepting McAdiffe's death too. Said Mark: "It was hard to realize that this woman had happened if there was a body." Discussions about a suitable memorial for McAdiffe dominated many conversations. In fact, shortly after Challenger's explosion donations began arriving at the school for a scholarship fund, even though no fund had been organized. Some residents said a school already under construction should be named after McAdiffe.

Pain: At week's end, Concord was still in mourning. Thomas Smith, a former state attorney general who flew back from a business trip to Washington after the explosion, said, "I think the whole city of Concord feels like putting its arms around each other." And McAdiffe's colleagues were their pain on their faces as they met the press in the auditorium where just 36 hours before they had watched her voyage end. After only 74 seconds. Said Charles Foley, principal of Concord High School: "I think NASA could tell you now that it realizes what kind of a class act it got with this woman. We were afraid somebody was going to steal her from us. I guess somebody did."

—SHERIE WALLACE in Concord

Facing the climax

For many Filipinos, the mid-life, almost motherly widow was an unlikely presidential candidate. Although Corason Aquino's strength owed her relatives and friends during the nightmarish days that followed the 1983 murder of her husband, Philippines opposition leader Benigno Aquino, few dreamed she would assume her husband's mantle. But now the presidential campaign began eight weeks ago, the resolute and energetic Aquino—popularly known as "Cory"—has proven herself the most serious challenge faced by President Ferdinand Marcos during his 20 years in office. Many Filipinos give the 53-year-old Aquino only an outside chance of defeating Marcos in Friday's election—a contest that is important not only to other Asian nations but, with its Philippines military base, to the United States. But Aquino's charisma has severely tested the president's resources and subjected the country's traditionally corrupt electoral process to the scrutiny of the entire world.

The 66-year-old Marcos, often reported to be suffering from ill health, still commands impressive advantages: a nationwide organization supported by warlords in control of regional economies, an estimated \$225 million in campaign funds and control over the country's \$360-million armed forces and much of the media. Indeed, opposition spokesmen say they fear that Marcos's political machine will resort to outright fraud. But they add that any evidence of cheating will tarnish a Marcos victory, especially because of strong U.S. pressure for an honest election. Said Aquino spokesman Rene Sagun: "The way was a dirty vote, but far from getting a fresh mandate he will lose at home and abroad. The Marcos era is coming to an end."

Indeed, some of Aquino's close aides said that she might indeed win. And they predicted that she and vice-pres-



Aquino addressing rally, New People's Army troops (below), challenging a 20-year-long rule

ident candidate Salvador Laurel could take up to 30 per cent of a far vote. They added that they expect to be especially successful in the capital, Manila, where there appears to be a strong desire for change.

But strategists for Marcos's New Society Movement—filming Tagalog Lapasan (LAP)—claimed that the wave of sympathy for Aquino was waning. In fact, Marcos's labor minister, Blas Ople, described Aquino's hopes for victory as "fantastic imaginings," and he declared that the president would win by a margin of at least 85 per cent of 36 million ballots cast.

Last week both sides were still reeling but bowed Wednesday's local effort for electing Marcos campaigned as energetically in the central and southern Philippines as his final candidate allowed Aquino concentrated mainly on the Manila area, drawing 150,000 people in Cebu City, 10 km south of the capital,

last Wednesday. And at a rally that day in Manila's University of the East, 3,000 students gave her a hero's welcome in a campaign that has raised popular emotions from the beginning. Said one Aquino partisan, law student, Eunice Rey Corvera, 26: "To me, Cory represents our hope for the country. Because of her, we aren't afraid anymore."

But the president has continued to

chip away at what many Filipinos consider to be his opponent's most apparent weakness—political incompetence. Spokesmen plastered by government supporters over Aquino campaign posters proclaimed "Cory today, sorry tomorrow." The issue has clearly made an impression on some voters. Said Lilia Go, 38, a teacher in the city of Iloilo in the central Philippines: "Cory has no

win she will hand over power to the estimated 35,000 Communist guerrillas of the rebel New People's Army, now active in about 60 of the country's 73 provinces. Aquino has consistently denied the charges. Instead, she says that the lack of democratic reforms under Marcos has made the president the "number 1 recruit" for the rebels.

Although Marcos has been confident



Marcos and wife, inside province on voters and fear of electoral fraud

progress. It's a question of choosing between the devil you know and the devil you don't." Added former senator Rodolfo Gansan, who defected from the opposition last year to support Marcos: "She is a wonderful widow, a wonderful citizen, but you cannot rule a country on sincerity alone."

Marcos's campspokesmen have also continued to portray Aquino as a Communist sympathizer, claiming that if she

and as the attack throughout most of the campaign, his biggest setbacks came from adverse press reports circulating in the United States. Last week former Hollywood actress Debra Davis, who appeared in the Filipino feature film *Martinez* in 1968, told New York-based *Parade* magazine that during a two-year affair with the president in the late 1960s she had learned many state secrets—and as a result she feared for her

life after returning to the United States in 1970 (although she also said that she still received affectionate notes from the Filipino leader).

Also compromising the Marcos name was a highly publicized U.S. congressional committee investigation into allegations that the president and his wife, Imelda, had secretly filed hundreds of millions of dollars into U.S. real estate investments. And *The New York Times* reported that after the Second World

War, U.S. army investigators concluded that the president's claims of being an anti-Japanese guerrilla leader were false. Said opposition member of parliament Nephtali Gonzales: "The president is very sensitive on this point. There is no question that he hates" Marikina, the capital of the "Black Propaganda," and he disapproved what he called American interference.

The president also took the offensive by announcing a reduction in gasoline prices by 12 per cent and giving away parcels of government land to farmers and urban squatters. At the same time, he increased the pressure on civil servants to vote for him. His supporters told workers in many government offices to attend Marcos rallies, and in many cases the pressure seems to be effective.

Still, the possibility of electoral fraud remained the major concern for Aquino partisans, who said that they have already discovered attempts to pad voter lists and install ballot boxes. As well, Laurel charged that the list has allocated 50,000 names for each of the Philippines' 50,000 precincts to buy off election officials. He also claimed that the list had distributed what it calls "goldfish"—envelopes stuffed with cash—to neighborhood officials to pay for bribing voters.

As a result, Laurel urged voters to protect their ballots by staying at the voting booths until the voting ended. And the National Citizens Movement for Free Elections (NAMREL) planned to have an estimated 300,000 volunteers watching almost all of the country's polling stations. "The voters" who attempt to vote in these areas are district leaders, NAMREL spokesmen said that they hope to repeat their success in preventing foul-play fraud during the 1984 parliamentary elections in which the opposition won one-third of the 183 seats. But they added that they have already been attempts to intimidate volunteers. Declared organization official Joe Barredo: "It is not only up to us. We expect the people to put out and vote—and then really guard their ballots."

Nevertheless, Marcos's most important ally, the United States, has been pressing him to initiate reforms in the country's political process as well as in the graft-ridden armed forces. Marcos has agreed to institute reform if he wins the election. Said labor minister Ople: "A new Marcos will emerge from his cocoon." For his part, the president has pledged a "peaceful and successful transition" if he loses. But even Filipinos eager for change after two decades have their doubts.

—MARKUS GEE in Manila



A critical difference

Since the beginning of the campaign for this week's presidential election, many Filipinos have been surprised by the warm response to Corason Aquino. By contrast, crowds at the carefully orchestrated rallies of President Ferdinand Marcos show a mixed lack of enthusiasm. Manila's associate editor Marcos has followed both candidates on the campaign trail. His report.

The tiny helicopter settles down on a grassy sports field in the Philippine town of Santa Cruz, 58 km south of Manila. The crowd of 5,000 shouts "Coray, Coray, Coray," as presidential candidate Corason Aquino, the孀widow who has transformed Filipino politics, makes her way to the stage. She wears a yellow dress, and the stage is also decorated in yellow—the official color of the Aquino campaign. As the crowd sings Happy Birthday in honor of her Jan. 25 33rd birthday, a nearby speaker system insists on the sharing with a shout of "Mahalagay Coray" (Glad I'm Coray).

Vice-presidential candidate Doy Laurel, Aquino's running mate, warns up the crowd with some bombast—the word Philippine was to describe heated political rhetoric—singing President Ferdinand Marcos of squandering the nation's wealth on jewels for his lavishly-loving wife, Imelda. Soon the whole crowd is chanting "Marcos get out" and "Imah, Imah" (Right, Right). Aquino's speech, by contrast, is measured and almost demure. Her soft, anguished voice lacks Laurel's fire, which can sometimes whip an audience into a frenzy. But many say they are touched by her quiet dignity and moral resolve. Said one 34-year-old civil servant, who claims she is under pressure at work to vote for Marcos: "Coray has sincerity and goodness, but Marcos, ah my God, he is a dictator."

The president travels in the greater comfort than his challenger. Seven planes bring his entourage to the normal Philippine towns of Bacolod and Iloilo. The first carries more than 100 photographers and journalists, who arrive at Bacolod airport to find a monstrous all-female marching band and

a crowd of banner-waving welcomees, including 86 employees of the local Government Service Insurance System office. Said one of the workers: "We were told to come." The second plane, a gleaming jet, disgorges the president's 22-year-old son, Ferdinand Marcos Jr., better known by his nickname,

Pinoy, a white and blue Pader P-38 with the presidential seal on the tail arrives from Manila. Marcos rushes his way down the gang planks, holding back millions. His legs appear stiff and he seems tired. But at Bacolod's Pegasus stadium, he delivers a hard-hitting attack on his opponents. Without mentioning Aquino by name, he accuses her of being soft on communists and "playing casually and flippancy with the fate of our country."

Marcos supporter Isidoro Torre, the local manager for Mrs. Marcos's ministry of human settlement, says that rural development projects have won Marcos broad support, and he adds that few people blame him for the current depression in the sugar industry, the mainstay of Negros Island. Said Torre: "It's not his fault that the world price of sugar has fallen."

Marcos draws a loud cheer from the crowd by announcing a drop in interest rates for sugar growers and a cut in local electrical rates. "Basta, Chik," says one grinning woman in a Marcos T-shirt. Otherwise the crowd is strangely silent, a phenomenon also evident the next day in the city of Iloilo on Panay Island. During the winter portion of the program the crowd of 30,000 enthusiastically greets 20 entertainers of the Stars for Marcos Movement as they sing a version of "Hello Dolly." "Well hello, Dolly, you're looking swell, Dolly!" But when Marcos begins his speech many people head for the exits. Those who remain fidget until Marcos pauses and tells them to pay attention. Despite his paucity rhetoric, at least 15 minutes go by without cheers or applause.

Last week a survey conducted by Business Day, Manila's most independent daily newspaper, found that Aquino was leading Marcos in six of 10 administrative regions. And many of the reporters who have traveled with both campaigns say that when it comes to political effectiveness, Aquino has the edge. But Maxima Solon, publisher of Manila's opposition Philippine Daily Inquirer, declared that the polls and the candidates' general performance may be misleading. Aquino supporters, he told *Manila's*, should not "misread the smile for the pep." In other words, political rallies may not translate into votes. ☐



Aquino (left) and Laurel at rally, an edge that may not translate into votes

"Bong Bong." Others bring security men and guards, and the First Lady herself arrives in a jet with vice-presidential candidate Arturo Tolentino.

Marcos: paucity rhetoric but no cheer



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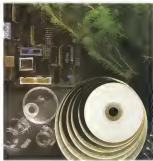


Four Seasons Hotels

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Planning the day at the Washington, DC, Four Seasons Hotel

The microchip connection



Pulp and paper, although seldom recognized as such, is one of Canada's premier high technology industries. There is scarcely an aspect of pulp and paper processing that does not draw heavily on scientific research and advanced technology. Indeed, these ingredients have played a key role in helping Canada to achieve a position of leadership as the world's largest exporter of pulp and paper.

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 The Pulp and Paper Industry of Canada

HAITI

Duvalier under siege

For years they tried to escape. They grew up their life savings—thousands of them over the years—for bertha in leaky, crowded boats to flee the hunger and terror of their island dictatorship. But last week the people of Haiti, the poorest country in the Western Hemisphere, stood together as before against the harsh 29-year-old regime of the Duvalier dynasty. They defied the country's brutally efficient military and secret police and, wielding signs that read "A las Duvalier"—Down with Duvalier—they held unprecedented protest meetings. They called for a general strike, posted and looted food warehouses. And at week's end, their self-proclaimed, president-for-life, 34-year old Jean-Claude (Baby Doc) Duvalier, all but cornered in his gleaming white National Palace in the capital city of Port-au-Prince, declared martial law. He vowed to issue a broadcast on state-run radio that he would not give up his power. Declared the embattled dictator: "There have been rumors that I have left the country. This is not true. I am as strong and powerful as a monkey's tail."

But with the new readiness of Haitians to confront their leader and his militia, his message was not convincing. Duvalier faced dissent that verged at a general uprising among Haiti's 10 million people. Demands for reform came alike from the farmers who earn barely \$80 a year in the modest hills and from uplanders for the reformable and conservative Association of Haitian Industries and the Association of Medical Doctors. And according to former government minister Hubert de Bovecourt, now a leading opposition figure who recently spent a

month in a Haitian prison for "suspected crimes." Duvalier had begun to lose their fear of Duvalier. Said de Bovecourt: "It is this victory over fear that explains this insurrectionary movement."

Duvalier, the portly, sleep-looking son of François (Papa Doc) Duvalier, who ruled his country with a blend of rackets, bribes and terror between 1957 and his death in 1971, had been warned by visitors as evasive as the Pope of

up and now bloodshed on my bed." Her injury—a stray bullet in the wrist—was not a serious wound. But others in Haiti's second-largest city met with greater harm. Soldiers attempting to put down a demonstration killed one adult and two children, wounded at least 20 people and slashed 30 suspected demonstrators in their homes. Said one citizen of Cap-Haïtien: "They are like mad dogs."

But later in the week fully 30,000 residents—half of Cap-Haïtien's population—looked to the streets. Some looted a warehouse full of U.S.-donated wheat and cooking oil while police stood by. Similar protest also paralyzed Gonaïves, Les Cayes and other



Protesters in Cap-Haïtien after three months, a serious challenge to a 29-year dynasty

approaching uprisings. On a visit in 1983 John Paul II declared that Haiti faces "everything that precedes a truly human existence." Months later the first anti-government demonstrations in 30 years erupted. Desert heightened last November when five people died in the protests, including three schoolchildren. In response, Duvalier closed the country's schools. That the greatest challenge to Duvalier began last week in the country's second city, Cap-Haïtien. Nineteen-year-old Judith Valmont remembers well.

Duvalier digging in



She was lying in her bed reading a Harlequin romance when she heard parades in the street, in a hospital interview Valmont told *Maclean's*. "I got

provincial centres. And in Port-au-Prince wall posters appeared calling for an uprising against the regime starting on Feb. 12 and lasting through Haiti's traditional March 8th (Eve carnal) period. Said one sign: "We know the situation of thousands of people who are living from hand to mouth, but if we're not able to hold on for 20 years, we can manage for days." Last Friday hospitals and witnesses reported at least five more people killed and 61 wounded in the capital. Rioters ran through Port-au-Prince building barricades of tires. Police used clubs and opened fire on them.

The focus of Haitian anger is hard-core poverty—an estimated 75 per cent of Haitians suffer malnutrition—despite the ruling elite's enormous wealth. The rich life of the minority is exemplified in Duvalier's lavish lifestyle and his wife Michèle's trips to Paris for high-fashion clothing and fur coats.

Duvalier himself is less ruthlessly brutal than his father, who encouraged

schoolchildren to attend the thousands of public sessions of political opponents. Still, the younger Dovaizer maintains his father's original mission of finding Masferrer, or "bugeyismo." He has also made trips into the country to dispense pocket money to the poor, although his spending auto caravan has killed several people in the process. But the average annual income is still only about \$600 a year, with workers either earning meager wages or the exorbitant surpluses of making baseballs and electronic components in breach plants of U.S. companies attracted to the island by low wages, tax breaks and the right to repatriate all profits.

Haitians say that leadership for the current disturbances comes primarily from members of the Catholic church. In spite of a widespread belief in voodoo, 80 per cent of Haitians are Roman Catholics. Church leaders last month attacked the human rights reveal of the country where, according to Amnesty International, hundreds of political prisoners are held for years without access to doctors or lawyers. Said Father Joseph Mint, permanent secretary of the Haitian Bishops' Conference: "The Pope told us things must change here, and we have been looking for ways to change things." Last week the United States, which occupied the country between 1915 and 1934, courted pressure for change with the announcement that it was delaying a \$26-million aid payment to Haiti because of Dovaizer's human rights abuses. That was a serious blow to the government because it depends on the aid for more than a third of its budget.

At week's end, there were conflicting reports about Dovaizer's activities. In fact, Washington first announced that he had fled from the country to Santo Domingo, according to one rumor—a prospect that raised spirits in communities of Haitian exiles abroad. In Montreal groups of the city's 35,000-strong Haitian community danced in the streets, and at a community centre in the north of the city, exiled exiles gathered to exchange information about events in their homeland.

But it soon became clear that Dovaizer had not been driven out. He was seen in Port-au-Prince, his voice was heard regularly on the government radio stations, and state television was adding some degree of commentary over Haiti's armed forces of 6,000 men, six tanks and seven airplanes. Said editor Henri Joseph, a Montreal taxi driver: "Dovaizer isn't human life is a nightmare. A man who lets millions of people die of starvation while he piles up billions of dollars is not human."

—ERIC HANFVORST in Cap-Haitien

DOMINICAN REPUBLIC

The 'disappeared ones'

On June 17, 1984, Cesar Augusto Rojas, 52, left his mother's home in the poor Santa Domingo neighborhood of Guadalupe in the Dominican Republic—and never returned. Almost a year later Felipe Castillo, on his way to help his father all night, disappeared. And two weeks ago fish-factory worker Mateo Moya's neighbors told her that her son, Iván,



Jorge Riquelme, 'lack of answer'

30, had been beaten by police and taken away. Witnesses say that the police snatched all three people from the streets of the country's capital not far from the site of a political dissent but simply because they had fallen into police influence. And according to Dr. Ramón Martínez Portocarrero, secretary of the Dominican Commission of Human Rights, the organization last year documented 65 disappearances—the "disappeared ones" who have been a tragic fact of life in other parts of Latin America in recent years.

At least 60,000 Canadian tourists visited the Dominican Republic in

1988, and most found the country—a democracy—to be a peaceful tropical resort. That is in sharp contrast to the repressive dictatorship of its troubled neighbor, Haiti, which occupies the other third of the Caribbean island of Hispaniola. But Felipe Castillo, for one, a prominent lawyer and candidate for the National Progressive Force, told *Maclean's* that he has dealt with many domestic cases of illegal arrest and torture by police. Said Castillo: "There is a very grave dissolution of our institutions. There is an undeniable lack of control" for his part, Martínez claims that the government has turned a blind eye to police activities. He added: "We have accused people, yet they have never been investigated. The government is afraid to investigate the police."

Some residents of the island country of five million, however, claim that the Dominican Revolutionary Party (PRD) government of President Salvador Jorge Blanco is itself guilty of human rights violations and corruption. Parties both to the right and left of the PRD—once the standard-bearer of freedom during the turbulent 1950-1983 dictatorship of Rafael Trujillo and the harsh 1966-1978 regime of Joaquín Balaguer—describe a system of "illegal detentions, beatings, deaths and constant vigilance."

At the same time, the PRD's handling of the Dominican economy has also resulted in violence. During protests in April, 1984, against the tripling of prices for consumer goods, at least 54 died when police fired on the crowds. And according to Pedro de León of the Independent Farmworkers Movement, rural demonstrations last year resulted in police detaining 10,000 people and killing four rural leaders. The reason for the protests, Jorge Blanco's failure to fulfill an election pledge to give land to 8,000 peasant families during each year of his term.

Indeed, many observers say that Jorge Blanco will probably lose the May 16 national elections. In fact, popular reaction against the PRD may succeed in driving voters back into the arms of Balaguer and his right-wing Social Christian Reformist Party, which has risen in popularity despite Balaguer's own poor human rights record. "The PRD is responsible for the return of Balaguer," said Martínez. "None of our legislation has felt the effects of democracy."

—ANDREW DRYER in Santo Domingo

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A 130, musically soundly started **Pamela Shilton** is making a career out of playing sweet young women—and she says that being sweet by nature helps. Shilton, 21, has a positive attitude toward life and my work that impresses directors. And I have certain qualities—I'm blond, and I can put a look of innocence on my face when I want to." Now the resident ingenue at The Variety Theatre in Toronto, Shilton debuted in Variety's 1983 season hit *Pump Boys and Dinettes*. After that she romped through *No Sex Please We're British* with **Barbara Hamilton** and *A Day in Hollywood, A Night in the Orleans* with **Catherine McKinnon**. Now starring as Dottie in the Variety fare *Leslie's Night* (in a *Turkish Bath*) with **Tam Krasnow**, which opened last week, Shilton added: "Dottie isn't mean. I only want to do those kinds of roles. Gee, I would love to play Nara in *A Del's House*. I'd like to do *Shogunsgate*. I have done some *Sham*. But I can do ingenue roles standing on my head."

In the movie *Youngblood*, which opened across Canada last week, **Rob Lowe**, 24, plays an amateur hockey player from New York determined to



Jones: 'He could kill me with a frying pan'

as technical consultant and played the part of Lowe's father. Lowe also benefited from some superior coaching prior to the 1984 filming in Toronto: Edmonton Oilers centre **Wayne Gretzky** invited Lowe to participate in an Oilers practice session. Lowe says they have been "good pals" ever since, and last month he attended a *Canis* game-Oilers game at the Montreal Forum just to watch Gretzky play. Lowe added that he relished the "minimalist approach" of his *Youngblood* role. Declared Lowe: "It is a leading man role, but it is strong and silent, an opposed to the swinging, sexual magnetism I tried to bring out in *Guybrush*. *Blues*. This is just a guy who lets his hockey do the talking—it's all sweet and serene and smouldering against the boards."

The love match between jet-setter-tuxen pro **Wim Gerulaitis**, 31, and movie starlet **Jane Jones**, 35, has a flair for a fellow court star, led boy **John McEnroe**, 26, is also romantically involved with an actress—the visibly pregnant **Tatum O'Neal**, 22—and rumors are out that they will wed later this month. Gerulaitis, badminton the Carol North American Indoor Tennis Championships in Toronto this week, said that although he and Jones have no

immediate plans to marry. "To say we're engaged" in the past Gerulaitis and McEnroe have had more than a glamorous love interest in common. Gerulaitis, with his reputation as a right-clothing ladies' man, also enjoyed a brief fling in a courtship during the 1982 French Open officials fined him \$2,000 for twirling his racket on his middle finger and waddling around the court with a tennis ball between his legs. Gerulaitis says that he and McEnroe now have little in common professionally, once sealed third in the world, Gerulaitis declared: "I don't think I'd be much more than 50 or 60 now. My career is slowly coming to an end. I'm not big enough to have a reputation." Then he added: "But John could become a priest and he'd still always be 'The First'." He's stuck with that reputation for life.

Meanwhile, Jones is on a hot streak. Having delighted movie audiences as the fresh-faced college co-ed who had an affair with **Matt Dillon** in 1981's *The Platoon*. And she is now adding high kicks and comic sparkle to the movie *A Chorus Line*. Recently Jones completed filming the movie *American Anthem*, in which she plays gymnast-turned-actor **Witch Gaylor's** lover. Her sponsor of her 1981 Olympic medalist cousin: "Witch Gaylor is a hawk—definitely a hot one." But she says that Gerulaitis offers more than physical appeal. "He is a very generous and happy person and I was attracted to that." She added that they first met in New York when she was 17, "not nothing came of it because I was so young and he was at the peak of his career." Their initial mutual crush blossomed about a year ago, however, Jones says she is no match for Gerulaitis on the court. "He could kill me with a frying pan." As for her fiancé's reputation as a ladies' man, Jones declared, "He knows how to treat women well—and if that makes him a ladies' man, I guess he is."



Shilton: head ingenue



Lowe: 'all sweet and serene'

supposed as a pro after a grueling stint with the Edmonton Oilers, Ger, 21, and movie starlet **Jane Jones**, 35, has a flair for a fellow court star, led boy **John McEnroe**, 26, is also romantically involved with an actress—the visibly pregnant **Tatum O'Neal**, 22—and rumors are out that they will wed later this month. Gerulaitis, badminton the Carol North American Indoor Tennis Championships in Toronto this week, said that although he and Jones have no

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—Edited by MARY MEYER

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Toughening up the books

The nine men gathered in the malaprop-filled conference room in the Toronto office of Dordne, Menzies Ltd. on an afternoon last December were visibly uncomfortable. Dordne, president John Fowler and the other company officials were there to confront three accountants from Coopers & Lybrand, the giant Toronto-based accounting firm. The subject was Dordne's \$380-million investment in the troubled Quintette Coal Ltd. project in northeastern British Columbia. The project had been set back by severe operating problems and falling coal prices, and the values were dropping that because write off its investment—that is, take the value of the project off its books. Fowler argued that it was too early to say whether the nine-month-old operation was worthless and he asked the accountants to review their figures. They refused. And two weeks ago Dordne wrote off the \$380.7 million. Said Fowler "We did not think [Quintette] should have been written off at all. It was simply outdated, rigid accounting rules that stood in our way."

That confrontation between a major company and its corporate auditors illustrates the growing tensions afflicting Canada's \$13-billion-a-year accounting industry. The case of Dordne, amplified by Toronto-based Borealis Resources, is just one of a series of spectacular corporate write-downs recently announced by major Canadian companies. In the past few weeks alone Canadian companies have formally written off \$1.6 billion in assets. But while some companies say they've "regretted" any write-downs, they're not reflecting their industries' problems in the marketplace, others are blaming a new firmness by the auditors. "This is definitely an attempt by auditors to get tougher," said Vay Jeyanay, a mining analyst with investment firm Moss Lawson and Co. Ltd. of Toronto. Added Roman Kowch, an accountant in Maple Ridge, B.C.: "The write-downs are an indication that auditors are beginning to come to grips with reality."

Clearly, the Canadian auditing profession, dominated by an large Toronto-based firms, has reason to review its performance. Last fall two federal inquiries enmeshed the profession by

questioning its performance in auditing the financial statements of the failed Canadian Commercial Bank (CCB) and the Northland Bank. As well, accountants are nervously awaiting the outcome of a litany of lawsuits over alleged lax company audits which could redefine the role and responsibilities of the profession. Said Harvey Hecker, chairman of the accounting firm of La-



Macedonia's growth worries and public hearings about the "expectation gap."

ventor & Horwath in Toronto. "Our profession is under siege."

One result of the criticism has been a surge of what some shareholders call "bloodthirsty" accounting, particularly in resource industries. Last month Noranda Inc. announced it was dissolving a set of oil and gas and mining assets by \$185 million. A day earlier Allan Aluminum Ltd. revealed a \$350-million write-down on a range of mining and production facilities. Both actions followed major write-downs by Sherritt Gordon Mines Ltd. and British Columbia Resources Investment Corp.

Auditors have also been coming to grips with government regulators who have suddenly become aware of deficiencies in standard auditing procedures because of the bank failures. Prime Waterhouse (PW) of Toronto is currently in a confrontation with the

Ontario Securities Commission (OSC) over financial statements which it prepared for a Toronto firm, a company called Calgroup Graphics Corp. Ltd. The OSC ordered a halt in trading of Calgroup's shares four months ago after a routine review of the company's statements turned up irregularities in accounting procedures. Among the problems cited by the OSC: Calgroup's



after discussion with PW, had used a technique that allowed it to show a profit of \$14 million on sales of \$113 million for the quarter ended June 30, 1985. In fact, it had a loss for the period of \$511,369 on sales of \$14,640.

As well, Calgroup, with the approval of PW, valued a transaction involving a package of films at \$18 million. According to Joseph Gross, the OSC's assistant general counsel, the commission believes the true value was closer to \$2 million. Gross told Macedonia that shareholders told the OSC that they bought stock in the little-known Calgroup with confidence because of PW's reputation. PW officials declined to comment on the issue when contacted by Maclean's.

For the top six accounting firms—which audit more than two-thirds of the Financial Post 500 companies—

their reputations are their chief assets. Many observers say the firms differ little in style and standards. But the chief executive of a major financial institution, who requested anonymity, told Maclean's "Some have the old credibility on and others are more progressive. Charles Gordon is corporate and goes on in contrast to Thom Riddell. Prime Waterhouse is the least."

According to one Toronto analyst, Charles, the industry's largest firm and one of two auditors of the CCB, is leading the drive to more conservative accounting.

As a result of the negative publicity surrounding audits, the industry has set up two internal investigations. The Certified General Accountants Association of Canada, which licenses and

independent appraisal of the company's financial situation. But experts expect business observers have long been cynical about that relationship. Says Moss Lawson's Jeyanay, "I have always assumed that auditors worked as the companies' liekies."

Senior partners of accounting firms often serve on corporate boards of directors. And many firms have additional dealings with the auditors who check their books. Accounting firms derive about two-thirds of their income from auditing, says Henry Lawson, chairman of the CICA's auditing standards committee. Audits can cost from \$100,000 to \$1 million. But the remainder of their business comes from lucrative special accounting services such as advice on tax matters or man-

agement. "The difference between what small investors expect of audits and what accountants say they can actually provide. The basic problem, according to the CICA, is that shareholders wrongly assume that auditors are corporate bloodhounds who sniff out and point to problems. But auditors say it is not that simple. First, they point out that they must work closely with management to prepare the company's financial statements. Secondly, they say that there are many ways to analyze and present the figures, making the profession a little more subjective. Auditors also say that they are concerned about being unnecessarily bothered. "We are being called upon to express opinions, to second-guess management and even sometimes to play God," said Hecker. "We can condemn our clients to perdition [with a negative report]. They may have one chance in 39 to pull out and we can take away that chance." An audit, added PW partner Seymour Wagle, "is not a Good Housekeeping seal of approval."

But government regulators take a different view. Said Gross, "Auditors say they are not violators. But in our view they are not entitled to ignore the business realities. They sometimes have to look beyond the form of a transaction to its substance."

A number of outstanding legal suits could alter the role of auditors. In Quebec, Clarkson Gordon and Ernst & Young Mitchell, auditors of the CCB, have been named along with the bank's directors and underwriters in a \$200,000 suit launched by some of the bank's shareholders. And in Alberta, Tomlin Ross faces a \$30-million suit launched by Victorian Mortgage Corp., which alleges that a flawed Tomlin Ross audit resulted in a one-year default of the company's shares on the Vancouver Stock Exchange. That litigation trend is evident in other countries as well. Accountants in the United States are facing an estimated \$24 billion in court challenges. For accountants, these suits are a real threat. "If you lose a case, you're not just legally responsible for the debts of your firm," said Hecker. "Every time we sign a financial statement I know that my personal assets are at risk, everything I have saved—and I have worked since the age of 12."

Most observers say that change is coming, with perhaps greater emphasis on a watchdog role for auditors—the industry has a long history of surviving the criticism of angry investors. Said the CICA's Lawson: "The client profession is not auditing—but I think auditing is pretty close."

—ANN WINTERLAK with ANN WALSHLEY in Toronto



Lawson, Jeyanay (below): new questions about the responsibilities of accountants

regulates 53,500 members, is currently reviewing the relationship between auditors and clients. As well, a commission of the Canadian Institute of Chartered Accountants (CICA), that represents almost 60,000 CMA, will begin monthly meetings Feb. 19 to discuss the role of auditors. The non-member commission, to be headed by Toronto lawyer William Macedonia, will hold public hearings this fall.

For years conflict of interest problems—particularly with audits—have been a thorny issue. Auditors are officially appointed by shareholders at annual meetings to provide an

independent appraisal. Indeed, firms sometimes offer cut rates on auditing contracts to "lose leaders" to gain clients, much as engineers have customers with special interests. What accountants can do for a company

is supposedly selling its independent auditors," said the OSC's Gross. Added analyst Joseph Lawson of Capital Group Securities Ltd. of Toronto: "You wonder when they are working for—the company or the shareholders."

For their part, accountants complain that most of the problems stem from what they label "the expectation





Therford Mines: staggering unemployment, concern over health risks and a plea to the Prime Minister for intervention

Facing a cruel future—helplessly

The town sits tucked alongside huge open-pit mines under a sky that is sometimes grey from asbestos dust. Indeed, Therford Mines, Que., seems unchanged from the town that was described by author André Langevin in his highly praised 1993 novel, *Powdermilk sur le ruisseau* (*Dust Over the City*). For years the local industry's high wages kept many local citizens from accepting reports that prolonged exposure to asbestos fibers could cause cancer and asbestosis, a lung disease. But since 1979, when health concerns finally caused a worldwide drop in asbestos use, annual production has been cut by half and more than 6,000 miners have lost their jobs. Then, two weeks ago the U.S. Environmental Protection Agency (EPA) proposed to ban all asbestos use over a 10-year period. Declared Quebec Mines Minister Raymond Senechal "If this ban goes through, it could end the jobs of anywhere from 3,000 to 9,000 people around here."

The EPA's recommendation is damaging in both real and symbolic terms. Of the 754,000 tons of raw asbestos fibers produced in Canada last year, 681,000 tons came from Quebec—most of it from the Asbestos and Therford Mines regions of the province's Eastern Townships. Quebec's five asbestos producers exported 120,000 tons worth \$47 million to the United States last year. Along with that potentially lost revenue, many officials say that publicity from the EPA's proposal will increase pressure for bans in other jurisdictions. Worrying city council leaders cited the EPA report in their decision

last week to ban the further use of asbestos-cement pipe in waterworks projects until a report on possible health hazards is complete.

Last week industry representatives, union officials and politicians were mapping out a campaign against the proposed ban on the grounds that asbestos can be used safely. The industry is already pressing Prime Minister Brian Mulroney to discuss the EPA's proposal with U.S. President Ronald Reagan when the two meet next in Washington in March. Sen. Carmel Grogan, an official with the Confederation of National Trade Unions, which represents asbestos workers. "If we can just convince Mr. Mulroney to talk to Mr. Reagan on our behalf, we have half a chance."

The EPA's proposal, which still has to undergo a lengthy public review before being approved, would immediately ban asbestos from products such as roofing material, for which substitutes are available. Asbestos used in other products—including automobile brake pads—would be eliminated over 10 years as substitutes are found. EPA administrator Lee Thomas said the agency believes that "no level of exposure is without risk."

But the industry's defenders argue that asbestos is being used safely. Products containing asbestos are now made so that the whitish fibers—prized for its resistance to heat—cannot escape into the air. Sen. Gordon Baksh, a spokesman for Quebec's department of energy and resources. "It is the most dangerous industrial material

that we know how to use perfectly."

But for many Therford Mines residents the mines involved are more personal. In the past three years the population of Therford Mines and neighboring Black Lake has decreased to 32,000 from 35,000 as mining jobs have disappeared. Sen. 44-year-old Marcel Côté, who was laid off last November after working for Black Lake Quebec Mines for 21 years. "This is not just Therford will go down if we do not fight this [EPA] proposal." Added Denis Leclerc, a 49-year-old father of two who lost his job last month after 27 years. "There is no future here."

The area's chronic unemployment—official estimates run as high as 36 per cent—worstened last week when officials at the American-owned Canac Canada Inc. mine in Saint-Basile said the mine would close on April 25 because of falling demand, throwing 170 people out of work. One of the most worrisome aspects of the Canac Canada closure is that the mine is regarded as the area's most efficient and technologically advanced operation.

A final decision on the EPA ruling is still months away, but Therford Mines residents are already bracing for the worst. Sen. Denis Leclerc. "You ask yourself why you work so hard to have a good life, only to see it all go so quickly." Indeed, last week Therford Mines faced a future as uncertain as that of its principal product.

—ANTHONY WILSON SMITH is based with STAFFORD SMITH GALLAGHER in Therford Mines

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Each year Cancun slumps oil prices threaten a peso already weakened by its former strength

The threat to Mexico

It was to have been a routine two-day conference as Latin American debt. But Mexico's finance minister, Jesús Silva Herzog, seemed determined to outline some harsh facts. Appearing before a meeting of bankers and economists sponsored by the Inter-American Development Bank in London, Herzog delivered a blunt message: "We are going through an emergency—a very real one—where, if not acted on with speed and wisdom, could make the summer of 1982 look like a relatively calm and quiet period," he said. Indeed, last month's collapse of oil prices to below \$20 a barrel has slashed Mexico's ability to pay the \$12-billion annual interest on its \$96.4-billion foreign debt to an extent not experienced since its economy nearly collapsed in August, 1982.

A financial catastrophe in Mexico may still be averted if interest rates fall or if oil prices stabilize. As well, many experts say that it is reassuring that President Ronald Reagan proposed early last month to help Mexico combat its debt problem. Still, as Mexico's national debt climbed steadily toward \$100 bil-

lion—from \$80 billion in 1982—many citizens were pressing the government to adopt more radical solutions, such as limiting annual loan payments. That action would hurt Canada's big six banks, which have a total of almost \$6.6 billion in loans to Mexico. Declared Silva Herzog: "We believe it to be insufficient to tackle the goal of restoring growth while confining to service debt regularly."

Pulling petroleum prices have a devastating effect on Mexico because the



Silva Herzog, a nation on the verge of bankruptcy

Latin nation—the world's second largest debtor after Brazil—ears 70 per cent of its export revenues from oil. The drop in crude prices to \$20 a barrel last week from about \$25 at the start of the year has already erased \$2.5 billion from Mexico's anticipated

1986 export earnings of \$34 billion. Without new loans and further tax increases and austerity measures, economic growth may drop to zero. As well, nearly one million young people are entering the labor force every year, adding to the already high 27-per-cent unemployment rate.

The increasing economic pressures threaten the political stability of President Miguel de la Madrid and his ruling Institutional Revolutionary Party. And the new difficulties have emerged at a time when the government is still under fire for its mishandling of last September's earthquake relief efforts—including an initial reluctance to accept foreign aid—and for allegedly rigging by-elections in Mexico's northern provinces last July. Said Herzog: "How do you explain to a society that has endured this economic adjustment process in adversity, almost stoically, that you need even more sacrifices in order to compensate for falling oil prices so that we can continue to pay historically high real rates of interest to our creditors?"

Already, the fall in oil prices has delayed negotiations between Mexico, its creditor banks and the 148-member International Monetary Fund (IMF) for new funds to meet the country's 1986 loan payments. Last December the Mexican government estimated that, based on oil prices of \$22 a barrel, it would need \$4.5 billion in new loans to meet its obligations. When prices fell below that level last month, talks with the IMF were nearly complete. The so-

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gillions are scheduled to begin again this week now that Mexico has revealed its calculations. Some economists say that if oil stays below \$20, Mexico may need as much as \$8 billion in new loans this year.

The IMF's usual response is to demand more austerity in return, but that now seems out of the question. Last December the Mexican government presented a harsh budget cutting for spending cuts and tax increases—including a 50-per-cent increase in gas prices. Said Jack Wachsberg, an economist with the New York-based investment firm Shearson Lehman Brothers Inc.: "There isn't any fat in the financial programs that Mexico presented to the bankers."

Indeed, since the August, 1982, financial crisis, which was caused by Mexico's inability to meet its loan payments, repeated devaluations of the peso have shrivelled it to one-tenth of its former strength against the U.S. dollar. Living standards have fallen and Mexicans have lost 46 per cent of their buying power. Among members of Mexico's middle class—critical supporters of the democratic government—many are being forced to take second jobs in order to meet expenses. And others are jangling the fumes of compensation who for northward across the Rio Grande.

But unlike the peasants who have traditionally sought jobs as illegal immigrants, in the new diaspora middle-class Mexicans take as much money out of the country as they can—further crippling the ability of the economy to expand. Mexican officials concede that \$20 billion (U.S.) left the country between 1977 and 1984, most of it to the United States. Last year, the government claims, the brain-drain slowed to about \$1 billion. But private economists peg the total capital loss at about \$60 billion and last year's outflow at closer to \$4 billion.

This year the government has borrowed domestically to pay the bills. Borrowers at the national bank, the Banco de Mexico, have fallen to a current level of \$2.5 billion from \$5.9 billion last year—enough to pay for one month's interest payments and imports. Most Mexican bankers say that the country can hold on because of disbursements due from international financial institutions. But a further outflow is in petroleum prices, said political scientist Jorge Castaneda of the Capital University of Mexico, "would undoubtedly induce national bankruptcy." That is a danger that last week the world's bankers were working hard to avert.

A gilt-edged dispute

Ten years ago it was just another stretch of mouse pasture to the poorer. Then, in 1981, a little-known Toronto exploration company, International Corona Resources Ltd., announced that it had found gold about 200 km east of Thunder Bay, Ont., not far from an obscure Canadian Pacific Railway siding named Hemlo. Prospects and speculation quickly swarmed into the area to claim tracts of land,



Justice Holland: a \$2-billion lawsuit

and the newest legend in Canadian mining was born. Now, three separate mines operate in the Hemlo goldfield, one of the world's richest outside South Africa. But another act in the Hemlo saga is being played out this month, not by gold-packeted geologists but by black-robed lawyers in a Toronto courtroom.

International Corona is suing Lac Minerals Ltd. of Toronto for \$3 billion—the largest lawsuit in Canadian mining history. At issue is Lac's control of a 66-acre tract at the heart of the Hemlo goldfield, called the Williams property after Jack Williams, a

prospector who staked it in the 1890s. The trial, which began last October in the Ontario Supreme Court, is examining whether Lac took advantage of information it gleaned from several meetings with Corona in May and June of 1981. In one of those meetings a pair of Lac geologists toured Corona's Hemlo property. In August of that year Lac bought the rights to the Williams claim, which borders the Corona property, from Williams's widow, who was executor of his estate. Two months later Corona filed suit against Lac for breach of fiduciary responsibility.

In the pretrial examinations both parties agreed that no formal agreement was ever made at those meetings. But Corona argued in court that because it disclosed some geological information to Lac, as well as its intent to acquire the Williams property, Lac had an obligation not to acquire the Williams property. Lac responded that the talks were a common industry practice that did not limit future activities and that the information offered by Corona was either of little value or already public.

The trial—expected to end in four to six weeks—and the decision by Mr. Justice Robert Holland could have implications for the entire mining industry. Corona contended in court that, simply by engaging in their discussions, Lac accepted an obligation of trust—regardless of the value of the information exchanged. Some lawyers say that if Holland decides that Lac took an obligation seriously by attending the meetings, then even general discussions of mining prospects will have to be handled with caution. Declined Alan Cooke, vice-president of Newmont Exploration of Canada Ltd., a Toronto-based mineral exploration company: "It is certainly not me to make me cautious."

Despite the legal uncertainty, both Corona and Lac have developed their Hemlo stakes. Corona has an agreement with mining giant Truax Corp. of Vancouver which gives Truax 55 per cent of Corona's Hemlo property in return for construction of an \$80-million mine and mill. Meanwhile, Lac has already spent \$16 million on the first phase of development of the Williams property, site of an estimated eight million ounces of gold. Said David Meadows, Lac's associate counsel: "There has been a definite attempt to make it business as usual."

—MARC CLARK in Toronto



Just: Chuck David, General Counsel, Alfa Canada

Life is what you make it.

"Work...life in general can really take it out of you at times. We all have our own ways of unwinding. I swim three times a week. I go to a local pool and do about twenty lengths. It takes fifteen or twenty minutes. Pretty good, considering when I started three months ago I was out of breath after half a length."

Sometimes my daughter, France, joins me. She's good company...besides, she keeps me going. I've already pulled my belt in three notches since I started. I feel good. That's important. I tell my daughter, if you feel good about yourself, you feel good about other things too, like work. I've just started a new position at Alfa Canada. Fact is, it's a new department with a new staff. What's happened is that we've brought our Life and Casualty divisions together to provide our

customers with all their personal insurance needs...life and health, auto, homeowners and boat insurance. And what's more, we've updated our computer systems so our customers can pay for all these coverages with one convenient monthly payment from their bank account.

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Drill rig Kalkik at the Beaufort. The most exciting development in 20 years.

Black gold in the Arctic

The massive steel octagons first appeared after a 20-minute helicopter ride over the frozen Beaufort Sea from Tuktoyaktuk, N.W.T., 15 km to the south. Brightly lit against the blue twilight of the arctic midday, the drilling rig's central steel tower—surrounded by three tall cranes and four square buildings that resemble a cluster of two-storey apartment block—rises six storeys above the 13-square-metre deck. The rig is Calgary-based Gulf Canada Ltd.'s Mallikup, a \$200-million showpiece vessel that for five months has been drilling in the company's Amadzuk field. And last week excitement was high among the Mallikup's 130 crewmen. New results showed that the 13,000-foot deep 1-65 well held reserves of up to 890 million barrels of crude—double the previous estimate announced late last December and enough to lead to commercial production in the Beaufort after 20 years and \$6.5 billion worth of exploration by Canadian oil companies.

Area residents and Gulf employees

welcomed the new discovery as proof of the Beaufort's promise. Said James Livingston, Gulf's manager of community affairs in Inuvik, "This is the one we have been waiting for." Added Thomas Batters, minister of finance for the N.W.T. and member of the legislative assembly for Inuvik, "The Amadzuk field is the most exciting development in the North in the past 25 years." Many industry experts said that Gulf's find justifies extending to the sea the pipeline that now ends in the oilfields at Norman Wells, N.W.T., and connecting it with Zama Lake refinery 400 km south. The \$4-billion, 508-km extension is needed to ship the oil to southern markets.

In Canadian circles too, the south's most precious resource is the latest results with caution. The reason: falling oil prices and the lengthy delay expected before production begins. Instead, Gulf's shares on the Toronto Stock Exchange dropped 37 cents to \$29 per share on Jan. 17, the day of the announcement. Gulf's Beaufort find is

commercially viable when oil is priced at \$28 to \$38 per barrel or more, and last week the price was \$28 per barrel. But when production from the Amadzuk field begins—probably by 1995—prices "will be adequate to justify going ahead," said Don Melnyk, Gulf's vice-president of production.

Last week many owners of Gulf's 90 million priority shares were also preoccupied with an approaching deadline at a buy-out offer from Toronto's wealthy Reichmans family. Last August the Reichmans, who own Oxygon & York Developments Ltd. (1987), bought 66 per cent of Gulf Canada, for \$1.8 billion from San Francisco-based Ghiesse Corp. The Reichmans are reshaping Gulf Canada into a new oil subsidiary, Gulf Canada Corp. Stockholders had until Feb. 3 to decide whether to exchange their Gulf Canada shares for an equivalent number of shares in the new subsidiary, plus a \$5 preferred share, or receive \$20.90 in cash and Gulf debentures. With all prices falling, industry analysts predicted that most shareholders would take the second option, which would cost the Reichmans \$1.88 billion.

Although Gulf has been drilling in the Beaufort since 1985, its recent success is partly the result of a decision taken in 1981 to spend \$650 million on a modern drilling system. Gulf's new fleet includes a floating drill rig, the Kalkik, used to drill exploratory wells, four powerful icebreakers, a 100-ton supply ship and the Mallikup. Because the Mallikup, which is anchored on massive mudpiles on the sea bottom, is the first Canadian vessel of its kind able to work year-round in deep arctic waters, Gulf was able to speed up exploration—and lower the cost.

In August, 1985, the Kalkik began drilling in the Amadzuk field, which is roughly 15 km long and 8.4 km wide. One year later the Kalkik struck oil at the J-44 well near the centre of the field. The test rates of 5,000 barrels a day led analysts to describe the well as the best offshore find since the 1975 discovery of Hibernia off Canada's east coast. That was followed by the Mallikup's December find at the 1-65 well, located in the field's northwest corner.

Last week, two days after announcing the results of 1-65, the crewmen on the Mallikup began drilling another test, which should reveal Gulf's prospects, with more information about the size of their promising find. Although production is still at least eight years away, believers in the Beaufort are convinced that a new chapter in the saga of arctic oil has already begun.

—DOUG KAPLAN in Inuvik

Breaking ranks with the family

By Peter C. Newman

Last month Consumer and Corporate Affairs Minister Michel Gobeil launched his national campaign to defuse objections from the business community to the proposed competition act. At the heart of that debate will be the exponential increase in concentration of economic power that has turned Canada from a free-market economy into a tightly held oligarchy.

With eight Canadian families now controlling almost 15 per cent of the value of the Toronto Stock Exchange's 300 Composite Index, and Bell Canada and Canadian Pacific Ltd. accounting for another 32 per cent, there is good reason to worry.

One of the few insiders who shares that concern is Bernard Galt, president and chief executive officer of the giant real estate developer Cadillac Fairview Corp., which currently has assets of more than \$1 billion and construction worth \$2.5 billion planned or under way. Since the Montreal Evening Star, who own 50 per cent of his company, and the Toronto Reichmans, who hold another 22 per cent, are two of this country's most powerful ruling oligarchies, Galt is well aware of the realities and implications of corporate concentration. When he was recently expounding his views before the House of Commons standing committee on finance, trade and economic affairs, chaired by Donald Boudreau, he allowed a glimpse of his point of view. "You ought to listen to me a little more closely. I know how it all works." Ever since that Ottawa appearance, Galt has been inundated by "a lot of people who told me, 'With that said what you did.'"

Galt, who has been chief executive officer of Cadillac Fairview since 1984 and president since 1981, looks and acts more like a busy professional than a successful real estate developer, and did in fact once teach urban land economics at the University of British Columbia. He considers himself a born-again capitalist and advocates the unfettered play of market forces. "I find it very surprising, for example," he said in his brief to the Boudreau committee, "that in its assistance to Doane, Orono, and so forth is to see that the chartered banks' shareholders are gratified for their management's concentration of credit."

What Galt takes strong exception to is not size but cross-ownership. "If you want to own a big steel company,"

he said in a recent interview, "if you want to own a big bank, own a big bank. But don't have big banks that own big steel companies or vice versa."

"Many in the most liquid of all assets," Galt told the committee, "and those who control it can cause almost immediate effects on others. When one entity is both a creditor and an owner of equity in a company, there is an obvious conflict of interest. When a nation-



Galt: a born-again capitalist

owned enterprise gains control over financial institutions, as even more dangerous kind of concentration is created, one that carries the same potential conflicts plus the ability to impact adversely the apparent credit-worthiness of competitors or adversaries."

That process is, of course, well under way with such combinations as Branson Ltd. and Drive Financial Corp., Power Corp. of Canada and The Investors Group, and many others pursuing their unfettered expansion plans. Galt

thinks he knows of at least one specific example of cross-ownership in a nonfinancial enterprise that controls a financial institution blocking a loan to one of the parent company's competitors, but he won't reveal any more details.

"Real power," he says, "is the ability to ignore the costs of imposing one's will on others. One that kind of power is attended, the temptation to exercise it is the fall is almost irresistible. It can be used to advance the interests of some nations or to suppress or to penalize others who are not of favor. It can undermine the wealth of one's own shareholders, it can provide excess returns to the top management coalition that effectively controls the group, and it can be used to influence public policy through the political process."

The possibility that the Mulroney government's Green Paper will allow the spheres of influence of existing conglomerates to expand, with little hope of ever curbing or reversing the process, is what has launched Galt on his current warpath. "Without limitations on ownership of financial enterprises," he contends, "adoption of the policies outlined in the Green Paper would lead to an even greater concentration of power than we now have, and the emergence of that overbalancing power could fundamentally change the course of events in this country. There should be limitations on ownership—in particular on who is permitted to own financial institutions."

There is an underlying dichotomy in Galt's position because he does believe in large corporate units—and is himself a key player. When faced with change and verse of the very abuses of the system, he backs off from the more extreme positions of Dick Thomson, chairman of The Toronto-Brunswick Bank, who advocates breaking up existing ownership trusts between financial institutions and their industrial masters. But Galt's voice will be heard in the debate on whether the competition act should drastically reduce corporate interconnections in the country.

His real motive is perhaps best caught in his favorite quote on the subject from American District Court Judge Charles Edward Wyman's "Concentrations of power, as matter how beneficially they appear, to have hated, nor what advantages they seem to possess, are inherently dangerous." Dispersal of private economic power is thus one of the ways to preserve the system of private enterprise. □

A court challenge for organized labor

Canada enshrined the Charter of Rights and Freedoms four years ago, and since then numerous court cases based on its sometimes ambiguous guarantees of individual liberty have preoccupied many lawyers and judges across the country. And last

of the collective agreement with the school he is entitled to all compensation and benefits that the union secures in bargaining. Laugive pays a cotributory deduction of \$5.25 per month under a formula which Supreme Court of Canada Justice Ivan

to raise money, the 36,000-member organization has characterized the action as an attack on "the heart of the left wing, not only in Ontario but in Canada as well."

In recent years the organization has campaigned against the admission of Vietnamese refugees to Canada, official bilingualism, unemployment insurance and insured persons. And success in the Laugive case would result in one of the lobby group's most cherished goals: reducing labor's support for the New Democratic Party. A clear victory in the case would not only weaken those links, declared coalition vice-president David Semerville, but would "limit the role of major union bodies and very substantially alter the way left-wing politics is practiced in Canada."

For their part, organized labor leaders say that they are concerned that a loss in the case would cripple the union movement. Sault CUI president Dennis McElmnett (who last week was named ambassador to Ireland) "The obvious effect would be to render the labor movement absolutely impotent." In support of that viewpoint, several affidavits before the court argue that in the past Canadian unions have made their greatest gains through political and social advocacy. Saul University of Toronto labor historian Desmond Morton: "Canadians have historically expected unions to express themselves on a full range of concerns."

At the same time, many labor law specialists and union leaders say they are alarmed to see such a crucial labor issue—one which they considered settled—before the courts again. Saul Barry Glusnick, a labor law professor at Osgoode Hall Law School in Toronto: "It is entirely fair to say that union rights have been imperilled every time the courts are involved. For that reason, in the last 50 years unions have been largely removed from the courts' jurisdiction. The Charter has had the effect of reversing that trend."

Now, Justice White will have to decide if individual rights take precedence over one of the labor movement's traditional sources of strength.

—ANN FIDAYSON in Toronto



Laugive: arguing over union dues and political donations in the "labor trial of the century"

Band derived in 1946. That landmark arbitration ruling, which grew out of a bitter labor dispute at the Ford Motor Company in Windsor, allows unions to collect dues from members and non-members alike (a process known as "checkoff") and it is now a standard feature of most collective agreements in Canada. But Laugive objects to center's directing up to 18 cents of his dues payment each month to such umbrella groups as the Canadian Labor Congress (CLC). He argues that the allocations violate such charter rights as "freedom of association."

Asserting those rights in courts could cost up to \$500,000 if the case reaches the Supreme Court of Canada. But Laugive himself will not have to pay because the National Citizens' Coalition is supporting his case. Indeed, the conservative, pro-business lobby group (founded in 1967 by wealthy London, Ont., insurance agent Colin Brown) to oppose such policies as universal medicare in Canada) has already raised \$380,000 for the court fight. And in the letters that it mailed

Laugive has refused—legally—to join costs, which represents faculty and support staff at the Haldimand School of Misses. But under the terms

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Cost-cutting threatens an old school

When University of Toronto president George Cossell scheduled separate meetings with 30 staff members and 100 students of the school of architecture on Jan. 13, many of his listeners assumed that he would intervene in a dispute over course content. Instead, Cossell stunned them with the blunt announcement that his administration plans to close the department by 1990. That statement unsettled architects across the country: the school is 86 years old and the only architecture faculty in Canada's largest city with a graduate program. At the same time, the decision dramatized the effects of a funding crisis at the university—and other postsecondary institutions—during the past 10 years.

With only a 3.6-per-cent increase in funding this year, U of T administrators say that provincial grants have barely kept pace with the annual rate of inflation. And although the university has an overall budget of \$385.4 million for the current fiscal year, officials argue that the architecture school must be closed because of the continuing squeeze on operating budgets. Declared assistant vice-president Daniel Lang: "When the university began to be underfunded in the mid-1970s we tried to parcel out the best equally. But underfunding has kept up year after year and we had to make the uncomfortable choice to protect parts of the university at the expense of others."

It was the first time that the university has considered closing an entire faculty. Under the U of T plan, students currently taking courses would complete their five-year programs but no new students would be admitted. Cossell also said he would ask the provincial grants—which are determined by a complex formula, based on the number of students attending classes. Still, administrators estimate that as much as 50 per cent of the department's budget—41.66 million in 1988-89—must also be reduced if the university's financial situation improves. To that end, the administration will present its recommendations to two committees of the university's governing council later this month, and the council will make a final decision by June.

But many faculty nomination members say that the administration decided to close one of the oldest of Canada's 16 university architecture schools because of its long history of ideological disputes. They note that the faculty has



Rival: a budget squeeze, ideological disputes and a plan to close a faculty

been divided into two opposing factions for the past 10 years—a minority which holds that students should design projects largely out of their own experience, and another camp which favors a more traditional approach based on textbooks, engineering principles and design history. Still, that split was diminishing in importance last fall when acting departmental chairman George Baird interviewed two applicants for the position of school dean—a post created since 1982. But when both candidates asked for spending commitments, which the administration could not provide, officials left the question as a decision that led students to launch a petition demanding a new dean.

In another controversy, third- and fourth-year students boycotted classes last month on the grounds that course content was inadequate. And Baird said that the administration was responsible for some of the disputes. He said, "Then they chose the department as a scapegoat to make the government look bad." Added faculty association president Michael Pinnington: "When

the students demanded a new dean, they stamped their feet and said, 'To hell with you, you are obsolete!'"

Cossell says that faculty divisions did not influence the decision to close the school, leading many observers to question the wisdom of closing an institution whose graduates include such widely known architects as Raymond Moriyama. Said Michael Reay, president of the 2,100-member Ontario Association of Architects: "It is almost impossible to imagine the largest city in the country without a school of architecture to study urban problems." For his part, Ontario Premier David Peterson refused on Jan. 25 to give the university a special grant to keep the school operating. Two days later Toronto city council appointed a committee to study the problem—and to consider alternative sources of private funding.

Declared councillor Michael Giv: "Toronto is supposed to be an urban miracle. Surely architecture has a lot to do with the creation of that miracle."

—MARK JANSSEN in Toronto

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A dramatic Fleet Street revolution



Wapping printing plants: new site of newspapers begins behind barbed wire and fortified walls

From the outside, the enormous concrete-and-brick building in London's East End could easily be mistaken for a maximum-security penitentiary. Its sprawling grounds are strewn with walls of razor edged barbed wire and a 2.5-m-high spiked iron fence stretches around the perimeter of the complex. But the building's prison-like appearance is misleading. In fact, it is home to one of Europe's largest, and most technologically-advanced printing plants. And from behind its heavily fortified walls, Australian-born media magnate Rupert Murdoch, 54, last week waged war against the print unions that for nearly two centuries have dominated Fleet Street, the geographic and spiritual heart of Britain's newspaper industry.

In a country notorious for its hostile labor-management relations, Murdoch's fight against the print unions attracted more than the usual degree of interest. The reason: after struggling for years with massive overstaffing and antiquated printing methods, Fleet Street is suddenly in the throes of a technological revolution. Using the latest computerized typesetting equipment, at least three would-be

publishers plan to challenge Britain's press barons by launching new national newspapers later this year. That, in turn, has put pressure on such established publishers as Murdoch—owner of *The Times* and *The Sunday Times* as well as two sensationalist tabloids, *The Sun* and *The News of the World*—to swiftly modernize their operations.

Murdoch's strategy was risky and audacious. After three years of fruitless negotiations with the print unions he responded on Jan. 21 by doing what until then had been unthinkable: he fired all 5,500 of his company's production workers who had gone on strike following the breakdown of talks on new technology. Then, overnight, he moved his papers from their cramped, obsolete quarters near Fleet Street to his new \$300-million plant in Wapping, less than four kilometers east of the old operation. Hours later, with the help of about 300 electricians and construction workers, copies of Murdoch's papers were rolling off the presses and into a fleet of trucks for distribution across the country. Said a defiant Murdoch: "We have been giving in to the unions for years, and finally we snapped." *The Sun* put it even more

bluntly: On Jan. 22 its front page headlines proclaimed: "A new Sun is rising today," and "We beat strike thugs."

The wider implications of Murdoch's move to Wapping were quickly apparent to most observers. "It is the beginning of the end of Fleet Street," said Charles Windsor, editor of *U.K. Press Gazette*, a weekly trade journal for reporters and authors. And Anthony Pearson, a publishing analyst at James Capel and Co., a London brokerage house, said Murdoch's actions sent a clear message to other British papers that they must adopt the new technology or risk being driven out of business. In the House of Commons Prime Minister Margaret Thatcher defended Murdoch against opposition attacks—including a row by Labour leader Neil Kinnock that he was refusing to speak to reporters from Murdoch's papers until the publisher resumes negotiations with the unions. Said Thatcher:

"Mr. Murdoch is trying to get rid of restrictive practices which should have been got rid of years ago, and to protect the future of some of Britain's most distinguished newspapers."

For their part, Murdoch's rivals in Fleet Street were divided on the merits of his actions. *The Financial Times*, in an editorial hailing Fleet Street's long-delayed transition from "hot-metal" printing techniques to computerized typesetting, described Murdoch's confrontation with the unions as a "brilliant demonstration of how the so-called Thatcher revolution is transforming British industrial life." But the left-of-centre *Mirror* contrasted his take-it-or-leave-it ultimatum to the print unions with its own policy of reducing staff through negotiations. Said *The Mirror*: "The fact that every newspaper in an industry where the gypsy trains are stopping all over Fleet Street. But only Mr. Murdoch has decided to manœuvre the crew and the passengers."

Still, Murdoch's approach did not surprise those who have followed his flamboyant and controversial career. The Oxford-educated son of a legendary Australian journalist, Murdoch was 21 in 1934 when his father died and left him majority ownership of a

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Sex and surrealism for frantic times

Hansen Sex begins with a brief clip from a pornographic movie of a man and woman having intercourse. But that is the only overt sexuality in the daring new dance work by Montreal's controversial and inventive troupe La La La Human Steps. Despite the show's frenetic dancing and provocative title, Hansen Sex is never sexually titillating. The 32-part composition

named, "Hansen Sex is fun." As well, Marc Wymann, dance critic for the Vancouver *Province* and the author of an upcoming history of Canadian dance, told Maclean's: "They are one of the most exciting modern dance companies in North America."

Lock has achieved that reputation despite a relatively late introduction to dance when he was 15. The lonely, in-

He took his attention for such whimsically titled shows as *Lily Marlene is the Jesus* and *Remembrance in the Process of Becoming an Angel*, gaining a Jean A. Chalmers Award in 1982 for his composition *Oranges*.

But it is Lock's physically demanding choreography and the sexual role reversals in his compositions that most distinguish La La La Human Steps.

In *Hansen Sex* the troupe's two women—especially the muscular but petite Louise Levesque—take many roles in carrying the two male dancers in midair. She wears a false moustache, while in one scene dancer Marc Beland puts on lipstick. As Lock presides over the activity on stage, dancing title, the group members also sing, balance on milk bottles, juggle sticks and even finger pieces and sounds by passing their hands through beams of light connected to the synthesizer.

Underlying Lock's compositions is a drill, almost childish, linear tinged with world-warminess that harkens from the sensibility of punk and new wave rock. In one of the half-dances, monologues in Hansen Sex, Lock talks about a drunk that sprays a car before being run over. As the guitar begins to roar and the dancers slide across the stage, he says that the story proves "the suddenness of an inadequate defence." Older audi-

ences, confronted with that quirky text and the show's relentless pace, may feel that Lock's style overwhelms his substance. But those accustomed to the potent imagery and intense drama of rock videos will recognize in Edward Lock's choreography an appropriate art form for the frantic 1980s.

—ANDREW SHAFER/IN A Box



La La La Human Steps troupe: wild acrobatics and a punk sensibility

proactive 30-year-old, who was born in Montreal—his parents emigrated to Montreal when he was 3—started out by studying film at Concordia University and then working with a variety of innovative film and dance companies, including Le Groupe de la Place Royale, then based in Montreal. In 1980 he formed the Lock Outcraiders to pursue his own vision; the group evolved into La La La Human Steps

and Hansen Sex. "People are very curious when they don't like it—they shoot obscenities and letters." Still, many critics in Europe and the United States have applauded the 600-year-old company's antiestablishment style. New York's *Village Voice* dance critic Debra Joffe declared: "Lock has a wild and quite enthralling imagination. The dancing is one all-out storm." And *The New York Times* recently an-



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Expo 86 may start in Vancouver but it doesn't stop there.

FOR THE RECORD

An artist under fire

Throughout the 1970s Ottawa-born singer Bruce Cockburn was best known as a gentle craftsman of spiritual songs about nature. But in 1983, when Cockburn travelled to Central America as part of a two-week, concert-sponsored tour of Nicaragua and the vicinity, his concerns shifted dramatically. His 1984 album, *Shovel* *Fire*, conveyed his newly developed political rage about injustice and became

balancing "lion sharks" who ruthlessly keep Third World nations "on the back." To Cockburn, unrestrained commercial greed clearly lies at the heart of the problem. But when he sings "Kiss the ladies, shake hands with the blowhard it's open for business like a cheap bottle of," his message seems to refer as much to political leaders at home as abroad.

The accusation that is likely to draw the most criticism is the one that pulls the fewest punches. Set to a brassy, aggressive rock tempo, *People See Through You* is a scathing indictment of an untrained superpower that has "instant communication" and "series of occupations." But Cockburn says that despite that society's global power, its image is transparent. By the time the song finishes to the tortured sounds of his electric guitar, there is little doubt left in the listener's mind that the source of Cockburn's ire is the United States.

Cockburn rarely resorts to rhetorical cliché. More and more, his lyrics have taken the form of poetic entries in a journal. *Dancing in Paradise* is a quirky travelogue which captures both the cultural and political nuances of Jamaican life, while the stately moody *Lady of the Midnight Sky* uses a spoken

voice-over to express lonely solitude. Musically, Cockburn continues to explore such exotic styles as Caribbean calypso on *See How I Miss You* and Andean folk on *Shovel* *Fire*. Annotating him on the album are keyboard artist Jon Giblin and producer Kerry Crumford—both of whom also produced *Shovel* *Fire*. As well, the album introduces two skilful musicians who are newcomers to Cockburn's band, Toronto jazz drummer Michael Bock and Vancouver trumpeter Michael Alan Watts.

While Cockburn's increasingly radical stance may embolden some listeners, he insists that it is merely an extension of his Christian beliefs. At the same time, Cockburn has become more popular than ever—and deservedly so. *World of Wonder* is a passionate work from an artist who makes intelligent music for the heart and mind.

—NICHOLAS JENNINGS



Cockburn, broke news Kristing with rage

his best-selling international record to date. But such provocative lyrics as "If I had a rocket launcher, some usefulness would do" —Cockburn's emotional response to what he had witnessed in a refugee camp in southern Mexico under attack by Guatemala's military helicopters—raised fierce controversy and shattered his image. Indeed, on Oct. 1, 1985, Cockburn took part in a taping for CBC television and accidentally saw program notes describing him as a "Communist sympathizer." His latest album, *World of Wonder* (True North) —a powerful collection of new songs bristling with anger—can only add to the furor.

Where *Shovel* *Fire* observed Latin America's human tragedies, *World of Wonder* points at accusing finger at those who Cockburn alleges are to blame. The album opens boldly with *Call It Democracy*, a song that depicts the Washington-based International Monetary Fund as an organization of

Do-it-yourself lab tests

Simple test kits to detect pregnancy or measure blood sugar in diabetics have become common fixtures on drug store shelves. But now a new kind of home kit is appearing for tests previously conducted only in medical labs. Some of the kits include tests for harmful bowel or digestive conditions, excess calcium ions, yeast infections and vitamin deficiencies. The trend has alarmed some doctors and health authorities who say that they are concerned about the ability of members of the general public to make sophisticated diagnoses. As a result, federal health authorities are currently considering ways to ensure the safe and proper use of such kits. But for its part, the Canadian Medical Association already has a firm policy on the issue. Blaid Chis, spokesman Douglas Gossie, "He who diagnoses and treats himself treats a fool."

In the United States the federal Food and Drug Administration approved several new test kits for sale late last year, and analysts predict that by the end of the decade at least a



Chis raising the anger of doctors

dozens more will be competing in a market worth \$700 million a year. Dr. Purdy Life Health Products Ltd., of Arton, Ont., is the only company selling the new testing kits in Canada. Company president David Chapman said that Purdy's HomeColor Kit for testing blood is the most—possibly indicative of iron ions, glucose, calcium or cholesterol—was a major seller in the United States last year after President Ronald Reagan's publicized case of colon cancer. Among other tests, Purdy also markets a Bowel Transit Kit, which allows users to trace the passage of food through their system and adjust the amount of fibre in their diets to ensure maximum absorption of nutrients, a prime test to measure conditions which can signal osteoporosis, kidney stones or high blood pressure risk, and a Toxic Digestive Kit to test for chain to bowel and digestive problems, including improper absorption of nutrients through the intestinal walls and imbalances in stomach acids and pancreatic enzymes.

The Purdy kits were developed by Dr. Abraham Chis, a Toronto doctor who now lives in Beverly Hills, Calif., and acts as a medical consultant to Proenta-Pack of Canada Ltd., the Arton, Ont., company that makes the equipment. He said that the tests are

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meant to help people remain healthier, not to usurp the role of doctors. Added Chapman: "They are far keeping ourselves healthy rather than just treating illness." He told Macdon's, "The concept is that people can do a screening test at home, and if it tells them they may have a problem, we strongly recommend that they get professional advice." But he added that his company's kits, even though intended for use by laymen, give results as accurate as similar tests done in labs.

For his part, the OMA's Geckle said that the scientists' focus on self-diagnosis of any sort because successful diagnosis requires a doctor's expertise. A finding of blood in the stool could easily cause unnecessary panic. The reason, although the symptom is associated with such serious illnesses as colon cancer, it also occurs in cases of hemorrhoids and when people treat themselves with Aspirin.

Even some health professionals who favor increased home health testing say that professional advice should be obtained before anyone begins using the kits. Larry Perrow, for one, executive director of the Canadian Pharmaceutical Association, said, "From a philosophical viewpoint, we believe the whole idea of involving the patients more in their own health is great." But he added that people should consult a doctor or pharmacist before beginning the practice.

Still, the availability of the new tests has caused concern among officials at the health department's Federal Health Protection Branch, according to Dr. Michael Cooper, the branch's chief of clinical assessment. He said that Canadian laws require only that manufacturers register their products with the bureau of medical devices, unlike U.S. laws which require that data on the safety and efficacy of the tests be submitted. He added that the manufacturers in Canada must have available data proving that their products are safe and that they work, but they are not routinely asked to supply it, as is the case with new drugs. Beyond that, there are few standards governing the sale of home test kits.

That situation could change soon, according to Cooper. He said that his department first discussed the new kits during meetings in November, 1984, at which "it was pretty well concluded that there was a case for restriction of sale of some products." Further meetings, now scheduled for April, will determine what new rules will be recommended and when. Perhaps then the government will decide whether or not playing doctor is hazardous to the health of ordinary people.

—DAVE REILLY in Toronto

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TECHNOLOGY

A lifesaver for oil rigs

The small group of journalists, bureaucrats and oil executives directed on the deck of the Bow Direction on Jan. 9 as 26-foot seas buffeted the craft and mastery waded spray in their faces. But conditions on the rig, anchored on the Grand Banks, 300 miles east of Newfoundland, were typical of the season. And for the purpose of the gathering—one of the first public outings of a new lifeboat launching system—the stormy weather was ideal. Indeed, the new system performed flawlessly, safely launching a lifeboat far away from the treacherous waves alongside the rig's hull.

The difficulties of all rig evacuations were particularly evident four years ago when the mid-rig Ocean Ranger sank in the same waters, killing 81 men. The two rigs were 100 miles apart. Hebebrand, but it is believed that both were damaged in collisions with the Southeaster rig and one sank as a result. The system tested on the Bowditch was designed to prevent a rig from being trapped directly beneath. Known affectionately as the "sliding pole" and officially as RPOD (Preferred Orientation and Displacement), it is an 80-foot-long tapered glass fibre pole designed to float vertically in the water. The rig from the rig is in being lowered to the water. The pole bends as the lifeboat lowers, bending between in a "lag line" that connects the bow of the boat to the rig. The pole is designed to pull the water away from the rig, with its bow pointed out and its motor running. At that point, an automatic system releases the boat and the tension in the lag line propels it away from the

The F10 system was developed by Watercraft Ltd. of Gosport, England, and the initial \$400,000 testing program now under way is being financed mainly by the federal Canada Oil and Gas Lands Administration in association with private industry. So far, the tests have been successful. The system has still not been tested under extreme winter conditions or with heavily manned vessels. But at an estimated cost of \$200,000 per rig, it is cheap. And if it continues to operate successfully, it will almost certainly revolutionize offshore training systems.

— *EXTRACTED FROM A LETTER TO THE EDITOR*

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FILMS

Adultery and rivalry in the family

HANNAH AND HER SISTERS
Directed by Woody Allen

Woody Allen's 10th film, *Hannah and Her Sisters*, is a family affair—in more ways than one. The story hinges on the theme of adultery between a man and his sister-in-law. And Allen found many of the ingredients for the film close to home. His girlfriend, Mia Farrow, who has appeared in his past four films, plays Hannah, the betrayed wife. Farrow's

Herbey! Let's live-in boyfriend, Fredrick (Olivier Viro) is a phony artist who seizes the impending betrayal, while Hannah is simply confused by her husband's behavior. Hannah serves as a rock of stability for a chaotic family: another sister, Holly (Dianne Wiest), leans on her for support and bitterly endures a lopsided rivalry with her friend April (Carrie Fisher). Both aspiring actresses, Holly and April audition for the same parts, compete for the same man and try to supplement

energy. One subplot swings into another with graceful fluidity and sardonic wit. Living New York as its palette, Allen celebrates its music and architecture as if the city itself were synonymous with American culture. But unlike his film *Annie Hall*, which worshipped New York's striking contrasts of black and white, *Hannah* reveals the soft colors of the place and weaves them subtly into the narrative. Indeed, it possesses an emotional grandeur that has been lacking in Allen's recent films—notably the acerbic *Belly* and the dissimulative *Purple Rose of Cairo*.

In many ways, *Hannah* is Allen's most ambitious work. It employs a larger cast of established actors than he has ever used. It is also longer than any of his previous films—although it runs at only 116 minutes. Bravely paced, *Hannah* weaves enough plot to sustain a hefty novel, poses a playful searchlight into the abyss of the human condition and imposes a lyrical of tragedy ranging from coarseness to Catholicism. Yet the film remains remarkably uncluttered. And by letting other actors carry the main plot, Allen avoids overwhelming the screen with his own personality. Still,



Farrow, *Caine* in a recent masterpiece, flirting with the outer fringes of melodrama and love.

mother, veteran actress Maureen O'Halloran, portrays her on-screen mother. Seven of Farrow's eight children have movie roles, and her Manhattan apartment serves as Hannah's home. Such proximity between life and art could be suffocating, but *Hannah* is lighter than air. Allen reuses the entire dramatic range with some virtuosity, flirting with the outer fringes of farce and melodrama and achieving a blissful medium of intimacy and humor.

With a strong ensemble cast, the filmmaker departs from his usual role as the one-man band of American cinema. Although Allen wrote, directed and acted in the film, he delegated the role of protagonist's part to Michael Caine. With his reptilian charm, Caine is almost evenly typical as Elliot, the coming-of-age brother who loves his wife, Hannah, yet plots to seduce her sister, Lee (Barbara

Hervey). Let's live-in boyfriend, Fredrick (Olivier Viro) is a phony artist who seizes the impending betrayal, while Hannah is simply confused by her husband's behavior. Hannah serves as a rock of stability for a chaotic family: another sister, Holly (Dianne Wiest), leans on her for support and bitterly endures a lopsided rivalry with her friend April (Carrie Fisher). Both aspiring actresses, Holly and April audition for the same parts, compete for the same man and try to supplement energy. One subplot swings into another with graceful fluidity and sardonic wit. Living New York as its palette, Allen celebrates its music and architecture as if the city itself were synonymous with American culture. But unlike his film *Annie Hall*, which worshipped New York's striking contrasts of black and white, *Hannah* reveals the soft colors of the place and weaves them subtly into the narrative. Indeed, it possesses an emotional grandeur that has been lacking in Allen's recent films—notably the acerbic *Belly* and the dissimulative *Purple Rose of Cairo*.

That spirit pervades *Hannah*, which is propelled by an exuberant, glowing

both Caine and Farrow seem to have inherited—from the director and the script—some of his stammering desperation. As usual, Allen's film is more than any single character. In fact, its structure occasionally becomes overly elegant. Mickey's subplot dovetails too neatly into the main story at the end, and Hannah's annual two-turkey Thanksgiving dinner, which opens and closes the film, sets up a plot symmetry. But Allen's controlling genius brings rich rewards. Poignant, tender, intelligent and exhilarating, *Hannah* proves that he is one of America's most skilled and innovative film-makers. Farrow has cultural endurance in New York, a commitment away from the excess of Hollywood. Allen has created a modest masterpiece.

—BRIAN D. JOHNSON

A Great Detective's discovery

By Allan Fotheringham

So, we are sitting up in General R.H. last week doing the sad thing about the sorrowful town where Chrissie McWilliam, the teacher-mad, had delighted the kids in her high school classes. And here is President Ronald Reagan on television, delivering a closing and dignified tribute to the women who died over the Florida waters. He finished off by saying, "We will never forget them nor the last time we saw them this morning as they prepared for their journey and waved goodbye and slipped the early heads of earth to touch the face of God."

These jaded ears perked up at that final phrase. The source was unmistakable: a favorite poem that was remembered back in high school three paleontic years ago. It was, one remembered, found among the papers of a young newspaper killed while defending Britain. It was the only thing he was ever known to have written. It was a standard item in Canadian poetry textbooks and I once could recite the chapters on it from start to finish. Well, I thought, the old boy has been doing some research. Good for him or, more specifically, his speech writers. Literary rigour within the White House after all.

In Boston, trying to find plane connections, some friends at Harvard tracked down the actual sonnet. It is called *High Flight*. It was written by 29-year-old John Gillespie Magee Jr., who died Dec. 1, 1940. It all came back.

Oh, I have slipped the early heads of earth.

And danced the shoes on loupers-allowed wings.

Sawdust I've climbed and jested the tumbling mirth
Of sun-split clouds—and done a hundred things.

You have not dreamed of—whorled and veered and winged

Allan Fotheringham is a columnist for *Southern News*.

High is the night silence, His'ring there,

I've chased the shouting wind along and down

My eager craft through footless halls of air

Up, up the long, delirious, burning blue I've topped the wind-swept heights with easy grace

Where never lark, or even eagle, flew,

And toiled with silent, flying soul I've trod

The high, untrampled sanctity of space,



I put out my hand, and touched the face of God.

Feeling satisfied, and the sonnet, as, finding some small Canadian link to this American tragedy, we returned to an oyster house in old Boston. The restaurant happened to be founded sometime before 1850, which means it was older than Canada, which is very reassuring. The best way to think about Canada, when Canadians speak about its problems—paddling on the world scale—is that approximately half the population has been in pubs in London that are older than this country. Politics things in perspective. You're welcome. You may see it.

In hanging up my coat for a vigorous assault on the system, my shoulder felt of *High Flight* fell on the floor. One of the young oyster-shockers, better-looking than Warren Beatty with an accent that would drive Professor Henry Higgins to tears, came over

quite excited with his feed. He had read the sonnet with the passion of a man who had just found the Holy Grail. He wanted permission to copy it out. He had, he explained, lived in California for several years and one of the TV stations, as its sign-off signal, had a place starting in space while a timbreless recording recited off the early heads of earth.

Night after night he heard the words, loving them, and here he stumbled upon them on the floor of his oyster house, trampled underfoot by his vulgar patrons. He was elated; I was amazed. My great detective work was far complete. The White House in fact did not read poetry—the President must have remembered it from his late-night California TV screen, just after Ted Koppel and just before David Letterman.

Ah well. We all know that statesmen don't become statesmen because they are original word-smiths. Franklin Delano Roosevelt did not invent "the only thing we have to fear is fear itself"—that was a borrowed effort. Churchill, alas, did not originate "Iron Curtain" (in fact it was Queen Elizabeth of Belgium who originated the word or, when you get down to it, the basic idea of "blood, toil, tears and sweat.") All the great ones steal stuff, or bend or twist it a bit. No harm done, so long as it achieves the desired effect. Pierre Trudeau's most remembered quotation is the celebrated one about the state having no place in the bedrooms of the nation. Even that was stolen, attributed by the speech writers from an editorial two days previously in the *Globe & Mail*—written by one Martin O'Malley. You could look it up. The only people who ever say anything original are poets. True artists, as Marshall McLuhan taught us, are simply a new line—an early warning system to tell us things that have not happened yet.

As it turns out, many American pilots keep a copy of *High Flight*, and Chrissie McWilliam had a copy given to her by Concord resident Harry Williams. First-time poet John Gillespie Magee, one believes, would be pleased



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